

PROJECT GRANT AGREEMENT

THIS PROJECT GRANT AGREEMENT (the "Grant Agreement") is executed and effective as of the 30th day of November, 2007 (the "Commencement Date"), by and between (i) **COMMONWEALTH OF KENTUCKY** (the "Commonwealth") and (ii) **LOUISVILLE MEDICAL CENTER DEVELOPMENT CORPORATION** ("the Agency"), a Kentucky non-profit corporation.

RECITALS:

WHEREAS, the Agency has submitted an application pursuant to KRS 65.7071(2)(a) (the "Application") seeking state participation in the development of a planned \$1.345 billion project in Louisville to be known as the Louisville Life and Health Sciences Development Area (the "Project"), as described in greater detail in Exhibit A to this Grant Agreement; and

WHEREAS, the Louisville/Jefferson County Metro Government has designated the Agency as its agency in Ordinance No. 170, Series 2007, a copy of which is attached as Exhibit B to this Grant Agreement;

WHEREAS, the Division of Tax Increment Financing in the Office of the Commissioner, Department of Revenue (the "Office") has reviewed the Application and determined that it has met all of the statutory and regulatory requirements established by KRS 65.7041 to 65.7083, other than as described in Section 4.5, below; and

WHEREAS, the State Tax Increment Financing Commission (the "Commission") has reviewed the Application, and held a hearing on October 25, 2007 concerning the Application; and

WHEREAS, the Commission has concluded that the Application should be accepted, Applicant is eligible, and the Commission has made the following determinations:

- (1) That incremental revenues from the following state taxes shall be pledged for the Project: (a) individual income taxes levied under KRS 141.020 (“Income Taxes”), (b) corporation income taxes levied under KRS 141.040 (“Corporation Income Taxes”), and (c) limited liability entity taxes levied under KRS 141.0401 (“LLET”, and collectively with Income Taxes and Corporation Income Taxes, the “State Taxes”);
- (2) That the percentage of the Incremental Revenues to be pledged pursuant to this Grant Agreement shall be eighty percent (80%) for each of the State Taxes (the “Portion of Increment Payable”);
- (3) That the footprint of the Project is as more particularly described in Exhibit C to this Grant Agreement (the “Footprint”);
- (4) That the maximum amount of Approved Public Infrastructure Costs is \$588,100,000, as more particularly described in Exhibit D to this Grant Agreement (the “Maximum Approved Public Infrastructure Costs”);
- (5) That the Maximum Approved Public Infrastructure Costs that may be recovered from the Commonwealth is \$235,000,000 (the “Commonwealth Maximum Approved Public Infrastructure Costs”);
- (6) That the maximum amount of Approved Signature Project Costs is \$34,826,000, as more particularly described in Exhibit E to this Grant Agreement (the “Maximum Approved Signature Project Costs”);

- (7) That the Maximum Approved Signature Project Costs that may be recovered from the Commonwealth is \$0 (the “Commonwealth Maximum Approved Signature Project Costs”);
- (8) That the maximum amount of approved Financing Costs is \$468,025,981 (the “Maximum Approved Financing Costs”);
- (9) That the Maximum Approved Financing Costs that may be recovered from the Commonwealth is \$366,620,351 (the “Commonwealth Maximum Approved Financing Costs”);
- (10) Notwithstanding any other provision in this Grant Agreement to the contrary, no cost can be counted in more than one category (Approved Public Infrastructure Costs, Approved Signature Project Costs, and Approved Financing Costs) for purposes of determining recoverable costs;
- (11) That the local revenues pledged to support the public infrastructure of the project, and local revenues pledged to support the overall project, as reflected in the Local Participation Agreement (a copy of which is attached as Exhibit F to this Grant Agreement) are of a sufficient amount to warrant participation of the Commonwealth in the project;
- (12) That the termination date of the Grant Agreement shall be thirty (30) years from the Activation Date (the “Termination Date”). However, notwithstanding the foregoing, the Termination Date shall in no event be later than August 23, 2047;
- (13) That the adjustment to Old Revenues shall be made as follows: that the Old Revenues shall be adjusted each calendar year by the CPI; and

(14) That the Approved Signature Project Costs are the costs identified in Exhibit E to this Grant Agreement;

WHEREAS, the Incremental Revenues pledged by the Commonwealth may be used as a source of repayment for bonds or debt obligations to finance the Project;

WHEREAS, the pledge of Incremental Revenues of the Commonwealth by the Commission shall be implemented, pursuant to KRS 65.7075(8), through the execution of a project grant agreement between the Commonwealth and the Agency in accordance with KRS 65.7079; and

NOW THEREFORE, in consideration of the premises and the additional consideration provided herein, the Commonwealth and the Agency agree as follows:

SECTION 1. DEFINITIONS. In addition to the terms defined in the above recitals, the following additional terms used in this Grant Agreement shall have the meanings assigned in this Section 1 unless the context clearly indicates that a contrary meaning is intended.

1.1 Account Numbers. "Account Numbers" shall have the meaning set forth in Section 3.1 of this Grant Agreement.

1.2 Activation Date. "Activation Date" means the date established at any time within a two (2) year period after the Commencement Date. The Activation Date is the date on which the time period for the pledge of Incremental Revenues shall commence. The Commonwealth may extend the two (2) year period to no more than four (4) years upon written application by the Agency to the Office requesting the extension. To implement the Activation Date, the Agency shall notify the Office.

1.3 Approved Public Infrastructure Costs. “Approved Public Infrastructure Costs” means costs associated with the acquisition, installation, construction, or reconstruction of public works, public improvements, and public buildings, including planning and design costs associated with the development of such public amenities. “Approved public infrastructure costs” includes but is not limited to costs incurred for the following:

1. Land preparation, including demolition and clearance work;
2. Buildings;
3. Sewers and storm drainage;
4. Curbs, sidewalks, promenades, and pedways;
5. Roads;
6. Street lighting;
7. The provision of utilities;
8. Environmental remediation;
9. Floodwalls and floodgates;
10. Public spaces or parks;
11. Parking;
12. Easements and rights-of-way;
13. Transportation facilities;
14. Public landings;
15. Amenities, such as fountains, benches, and sculptures; and
16. Riverbank modifications and improvements.

Notwithstanding anything in this Grant Agreement to the contrary, “Approved Public Infrastructure Costs” shall only include costs incurred in the Footprint.

1.4 Approved Signature Project Costs. “Approved Signature Project Costs” means (a) the acquisition of land for portions of the Project that are for infrastructure; and (b) costs associated with the acquisition, installation, development, construction, improvement or reconstruction of infrastructure, including planning and design costs associated with the development of infrastructure, including but not limited to parking structures, including portions of parking structures that serve as platforms to support development above; that have been determined by the Commission to represent a unique

challenge in the financing of a Project such that the Project could not be developed without the incentives intended by KRS 65.7041 to KRS 65.7083 to foster economic development.

1.5 Area Business. “Area Business” means (i) an employer (as that term is defined in KRS Chapter 141) with a Physical Presence Within The Footprint, or (ii) a corporation, Sole Proprietorship or Pass-Through Entity with a Physical Presence Within The Footprint.

1.6 Area Employee. “Area Employee” means an individual included as an employee for purposes of the payroll taxes imposed by 26 U.S.C. 3121(d) by a corporation, Sole Proprietorship or Pass-Through Entity with a Physical Presence Within The Footprint.

1.7 Capital Investment. “Capital Investment” means:

(a) Obligations incurred for labor and to contractors, subcontractors, builders and materialmen in connection with the acquisition, construction, installation, equipping and rehabilitation of the Project;

(b) The cost of acquiring land or rights in land within the development area on the Footprint of the Project, and any cost incident thereto, including recording fees;

(c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction, installation, equipping and rehabilitation of the Project which is not paid by the contractor or contractors or otherwise provided;

(d) All costs of architectural and engineering services, including test borings, surveys, estimates, plans, specifications, preliminary investigations, supervision of construction, and the performance of all the duties required by or consequent upon the acquisition, construction, installation, equipping and rehabilitation of the Project;

(e) All costs that are required to be paid under the terms of any contract(s) for the acquisition, construction, installation, equipping and rehabilitation of the Project; and

(f) All other costs of a nature comparable to those described in paragraphs (a) through (e), above.

1.8 Corporation. “Corporation” is defined in Section 7701(a)(3) of the Internal Revenue Code.

1.9 CPI. “CPI” means the nonseasonally adjusted Consumer Price Index for all urban consumers, all items, base year computed for 1982 to 1984 equals one hundred (100), published by the United States Department of Labor, Bureau of Labor Statistics.

1.10 Estimated Maximum Amount. “Estimated Maximum Amount” shall mean the total of the Commonwealth Maximum Approved Public Infrastructure Costs plus the Commonwealth Maximum Approved Signature Project Costs plus the Commonwealth Maximum Approved Financing Costs.

1.11 Financing Costs. “Financing Costs” means principal, interest, costs of issuance, debt service reserve requirements, underwriting discount, costs of credit enhancement or liquidity instruments, and other costs directly related to the issuance of bonds or debt for Approved Public Infrastructure Costs, and subject to the commercially reasonable limitations required by KRS 65.7071(3)(b) and 103 KAR 50:030E. “Financing Costs” do not include the principal amount of bonds secured by Incremental Revenues that are directly attributable to costs that have already been approved for recovery pursuant to this Grant Agreement as Approved Public Infrastructure Costs. Additionally, any amounts remaining in a bona fide debt service reserve fund which are required and scheduled to be

available to be applied to the principal amount of a scheduled debt service payment under the bond indenture or associated trust estate shall not be included in Financing Costs.

1.12 Incremental Revenues. “Incremental Revenues” means the amount of revenues received by the Commonwealth as determined by subtracting Old Revenues from New Revenues in a calendar year with respect to the Footprint of the Project.

1.13 Maximum Recoverable Amount. “Maximum Recoverable Amount” is equal to the lesser of (i) Estimated Maximum Amount, or (ii) the actual amount of Approved Public Infrastructure Costs, Approved Signature Project Costs and Approved Financing Costs, as verified by the Office pursuant to Section 3.3 of this Grant Agreement.

1.14 New Revenues. “New Revenues” means the amount received by the Commonwealth with respect to:

(a) Income Taxes that are paid:

(i) By a Corporation, Sole Proprietorship or limited liability Pass-Through Entity with a Physical Presence Within The Footprint, in the form of withholding tax pursuant to KRS Chapter 141, and attributable to work or services performed within the Footprint, or within and without the Footprint if the services performed without the Footprint is incidental to the individual’s service within the Footprint;

(ii) By an Area Employee in the form of withholding tax pursuant to KRS Chapter 141, and attributable to work or services performed within the Footprint, or within and without the Footprint if the services performed without the Footprint is incidental to the Area Employee’s service within the Footprint;

(iii) By individuals who move into and become residents of the Footprint, but were not residents of the Commonwealth prior to becoming a resident of the Footprint; and

(iv) By individuals with respect to income earned from an ownership interest in a Corporation, Sole Proprietorship, or Pass-Through Entity with a Physical Presence Within the Footprint;

(b) Corporation Income Taxes that are paid by a Corporation with a Physical Presence Within The Footprint, and apportioned as provided in 103 KAR 50:050E; and

(c) LLET that are paid by a limited liability Pass-Through Entity with a Physical Presence Within the Footprint, and apportioned as provided in 103 KAR 50:050E;

in the year in which the Activation Date occurred or any year thereafter. The projected New Revenues submitted as part of the Application are attached as Exhibit G to this Grant Agreement. A copy of 103 KAR 50:050E is attached as Exhibit H to this Grant Agreement.

1.15 New Revenues Determination. “New Revenues Determination” shall have that meaning as set forth in Section 6 of this Grant Agreement.

1.16 Old Revenues. “Old Revenues,” for calendar year 2006 (the “Base Year”), is equal to the amount determined in Section 5 of this Grant Agreement. The Old Revenues shall be adjusted each calendar year after the Base Year by adding the Old Revenues calculated for the previous calendar year, multiplied by the CPI, to the amount of Old Revenues calculated for the previous calendar year. This adjusted amount is the Old Revenues for the current calendar year.

1.17 Pass-Through Entity. “Pass-Through Entity” means a partnership, S-corporation or multi-member limited liability company taxed as a partnership or S-corporation for federal income tax purposes.

1.18 Physical Presence Within The Footprint. “Physical Presence Within The Footprint” means owning or leasing real or tangible personal property within the Footprint.

1.19 Sole Proprietorship. “Sole Proprietorship” means an unincorporated business with one individual as the owner, including an individually owned single member limited liability company that is disregarded as an entity separate from its owner for federal income tax purposes.

SECTION 2. REPRESENTATIONS AND WARRANTIES.

2.1 Representations and Warranties of the Agency. The Agency hereby represents and warrants to the Commonwealth as follows:

(a) Existence. The Agency is a duly organized and validly existing non-profit corporation created under the laws of the Commonwealth of Kentucky.

(b) Authority to Act. The Agency has the requisite power, capacity and authority to execute and deliver this Grant Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Grant Agreement, in accordance with its terms and conditions. The officers and officials executing and delivering this Grant Agreement on behalf of the Agency have been or are otherwise duly authorized to enter into this Grant Agreement on behalf of the Agency.

(c) Validity of Grant Agreement; Compliance with Law. This Grant Agreement is the legal, valid and binding obligation of the Agency enforceable in accordance with its terms and conditions. The execution and delivery of this Grant Agreement, and the

performance or observance by the Agency of the terms and conditions thereof, do not and will not materially violate any provisions of the Agency Articles of Incorporation or any laws applicable to the Agency.

(d) Litigation. No litigation or proceeding involving the Agency is pending or, to the best of the knowledge of the Agency, is threatened in any court or administrative agency which, if determined adversely to the Agency, could have a materially adverse impact on the ability of the Agency to perform any of its obligations under this Grant Agreement.

(e) Conflicting Transactions. The consummation of the transactions contemplated hereby and the performance of the obligations of the Agency under and by virtue of this Grant Agreement shall not result in any material breach of, or constitute a default under, any contract, agreement, lease, indenture, bond, note, loan or credit agreement to which it is a party or by which it is bound.

(f) Disclosure. This Grant Agreement does not contain any false or misleading statement of or omission of any material fact relating to the Project or this Grant Agreement.

2.2 Representations and Warranties of the Commonwealth. The Commonwealth hereby represents and warrants to the Agency and as follows:

(a) Authority to Act. The Commonwealth has the requisite power, capacity and authority to execute and deliver this Grant Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Grant Agreement in accordance with its terms and conditions. Each of the officials executing and delivering this Grant Agreement on behalf of the Commonwealth has been and is duly authorized to enter into this Grant Agreement on behalf of the Commonwealth.

(b) Validity of Grant Agreement; Compliance with Law. This Grant Agreement is the legal, valid and binding obligation of the Commonwealth enforceable in accordance with its terms and conditions. The execution and delivery of this Grant Agreement, and the performance or observance by the Commonwealth of the terms and conditions thereof, do not and will not violate any provisions of the Commonwealth's Constitution, or any laws applicable to the Commonwealth.

SECTION 3. COVENANTS

3.1 New Revenues Requirement. The Commonwealth and the Agency agree that the Agency shall use reasonable efforts to have each Area Business, for each of the State Taxes where the Area Business generates such taxes from locations or activities from both within and without the Footprint, maintain separate tax numbers for each business situs in the Footprint (the "Account Numbers"). The Account Numbers shall be used exclusively to report State Taxes received by the Commonwealth with respect to the Footprint.

3.2 Minimum Capital Investment.

(a) The parties agree that the minimum Capital Investment for the Project is \$200 million (the "Minimum Capital Investment").

(b) The date by which the Minimum Capital Investment is expected to occur is December 31, 2011 (the "Capital Investment Date").

(c) The Agency shall submit to the Office, on a quarterly basis, beginning on January 31, 2008, documentation evidencing the actual expenditures made with respect to Capital Investment during the previous quarter (for example, the January 31, 2008 report would contain documentation pertaining to the three (3) month period beginning with the Commencement Date and ending December 31, 2007). Such documentation shall continue

to be submitted by the Agency on a quarterly basis to the Office until the earlier to occur of: (i) the Agency has documented that the total amount of the Capital Investment has been expended; or (ii) the quarterly report due after the Capital Investment Date has been submitted.

3.3 Verification of Approved Public Infrastructure Costs, Approved Financing Costs and Approved Signature Project Costs. The Agency shall submit to the Office, on a quarterly basis, beginning on January 31, 2008, documentation evidencing the actual expenditures made with respect to (i) Approved Public Infrastructure Costs, (ii) Approved Financing Costs, and (iii) Approved Signature Project Costs during the previous quarter (for example, the January 31, 2008 report would contain documentation pertaining to the three (3) month period beginning with the Commencement Date and ending December 31, 2007). This documentation shall clearly tie each expenditure made to a particular item of (i) Approved Public Infrastructure Costs, (ii) Approved Financing Costs, or (iii) Approved Signature Project Costs, and shall include supporting detail. Such documentation shall continue to be submitted by the Agency on a quarterly basis to the Office until the earlier to occur of: (i) the Agency has documented that the Estimated Maximum Amount has been expended; or (ii) the Agency has documented all of the expenditures with respect to the Approved Public Infrastructure Costs, Approved Financing Costs and Approved Signature Costs have been made.

SECTION 4. PAYMENT OF INCREMENT

4.1 Term of Increment. The Commonwealth agrees to pay to the Agency or its payment assignee, and the Agency or its payment assignee does accept from the Commonwealth, the Portion of Increment Payable beginning in the calendar year in which

the Activation Date occurs and each calendar year thereafter, with payment to be made beginning the following calendar year (the "Initial Payment"), and for successive calendar years continuing automatically thereafter until the earliest of (i) the date that all bonds or debt obligations allocable to the Incremental Revenues are paid, redeemed or defeased (not including bonds or debt obligations that are refinanced); (ii) the date that is thirty (30) years after the Initial Payment; (iii) the Commonwealth's election to terminate this Grant Agreement pursuant to Section 6; or (iv) the aggregate Portion of Increment Payable paid to the Agency by the Commonwealth on a cumulative basis during the term of the Grant Agreement equals the Maximum Recoverable Amount.

4.2 Time of Payment. For each calendar year beginning with the calendar year after the calendar year in which the Activation Date occurs, the Commonwealth agrees to pay to the Agency the Portion of Increment Payable for which the Agency is eligible under this Grant Agreement, provided that the conditions provided in Sections 4.3 through 4.6 of this Grant Agreement have been met, no later than ninety (90) days after the Office notifies the Agency that the information submitted in connection with a request for the Portion of Increment Payable to which the Agency is eligible under this Grant Agreement is complete and in order, but in any event no later than (i) for the first year, February 15th of the following year, and (ii) for each year thereafter, September 15 of each year.

4.3 Minimum Capital Investment. Notwithstanding anything in this Grant Agreement to the contrary, Incremental Revenues received after the Activation Date, but prior to certification of the Minimum Capital Investment being made, shall be held pursuant to KRS 65.7081(1)(b) until the Minimum Capital Investment is certified by the Office. If

the Minimum Capital Investment is not certified by the Capital Investment Date, the escrowed Incremental Revenues shall be forfeited to the Commonwealth.

4.4 Old Revenue Determination. Notwithstanding anything in this Grant Agreement to the contrary, before the Commonwealth shall be required to pay to the Agency the Portion of Increment Payable to which the Agency shall be eligible for each year during the term of this Grant Agreement, the Old Revenue Determination described in Section 5 of this Grant Agreement must be calculated, and an addendum made to this Grant Agreement setting forth the amounts which are deemed to be Old Revenue for the Base Year.

4.5 Ordinance. Notwithstanding anything in this Grant Agreement to the contrary, Incremental Revenues received after the Activation Date, but prior to an Ordinance being enacted by Louisville/Jefferson County Metro Government which contains a provision for periodic analysis and reviews by the governing body to be forwarded to the Office as required by KRS 65.7053(1)(k) (the "Ordinance"), shall be held in escrow until such time as the Ordinance has been enacted.

4.6 Compliance Certification. Notwithstanding anything in this Grant Agreement to the contrary, if the Office has not notified the Finance and Administration Cabinet pursuant to KRS 65.7083(3) that the Agency is in compliance with the terms of this Grant Agreement, the Incremental Revenues shall be held in escrow until such time as the certification has been provided by the Office.

4.7 Use of Portion of Increment Payable. The Agency covenants and agrees that it will use the Portion of Increment Payable derived under this Grant Agreement solely for the Commonwealth Maximum Approved Public Infrastructure Costs, Commonwealth

Maximum Approved Signature Project Costs and Commonwealth Maximum Approved Financing Costs, in connection with the Project. If the Incremental Revenues are used to support notes, bonds or other debt obligations with respect to the Project, the Agency shall utilize the Portion of Increment Payable received in a given year to (1) pay the current portion of the Commonwealth Maximum Approved Financing Costs, and (2) maintain a fully funded reserve. Any excess beyond that used for the purposes in the preceding sentence shall be used to provide for the retirement or defeasance of all or a portion of the remaining Commonwealth Maximum Approved Financing Costs secured by the Incremental Revenues. If, as of the Termination Date, the Portion of Increment Payable calculated and paid over the term of this Grant Agreement is insufficient to pay off the notes, bonds or other debt obligations, the parties acknowledge and agree that the Commonwealth shall not be responsible for paying the remainder of the notes, bonds or other debt obligations.

4.8 Certification of Use of Portion of Increment Payable. The Agency shall provide to the Commonwealth, no later than ninety (90) days after the end of each calendar year during the term of this Grant Agreement, a certification, substantially in the form of Exhibit I attached hereto, as to the use of the Portion of Increment Payable derived under this Grant Agreement during the preceding year.

SECTION 5. DETERMINATION OF OLD REVENUE. The Agency shall calculate with reasonable accuracy the amounts of Old Revenue, and in doing so, the Agency may make such assumptions as may reasonably be required. The Agency shall submit its calculations of the Old Revenue to the Office for review and approval, along with a report which includes (i) all registered business names of each Area Business and (ii) all

state tax account numbers used by each Area Business in connection with the Footprint. Upon review and approval, an addendum shall be made to this Grant Agreement listing the amounts which are deemed to be Old Revenue for the Base Year. The amount of Old Revenue for the Base Year shall be conclusive and binding evidence of the amounts of Old Revenue for the Base Year throughout the term of this Grant Agreement.

SECTION 6. DETERMINATION OF NEW REVENUES

The requirements set forth in Section 3.1 hereof shall be used by the Agency to calculate in each calendar year during the term of this Grant Agreement, with reasonable accuracy, the amount of New Revenues for that calendar year (the "New Revenues Determination"). The Agency shall submit the New Revenues Determination in writing to the Commonwealth for review, along with a report which includes (i) all registered business names of each Area Business and (ii) all state tax account numbers used by each Area Business in connection with the Footprint. The submission by the Agency of complete and accurate information required under this Section shall constitute a request for the Portion of Increment Payable. The Office shall review and verify the information submitted and shall certify the verified amount pursuant to KRS 65.7083(1)(b).

SECTION 7. TERM; RENEWALS. The term of this Grant Agreement is made pursuant to KRS 65.7079(3) on the basis of automatic year-to-year renewals, with option to discontinue upon sixty (60) days' prior written notice before the end of any annual termination date of this Grant Agreement.

SECTION 8. BONDS. The Agency and the Commonwealth acknowledge that the Incremental Revenues pledged by the Commonwealth may be used as a source of repayment for bonds or other debt obligations issued to finance the Project. Pursuant to

KRS 65.7079(1)(h), if incremental bonds are outstanding that are secured by a pledge of Incremental Revenue, then no remedy shall permit the withholding of any Incremental Revenues. If bonds or debt obligations secured (including refunding bonds), in whole or in part, by the Incremental Revenues are issued and outstanding (including bonds or debt obligations that are refinanced), the parties agree that Section 9.1 of this Grant Agreement will be amended to add a bond trustee ("Bond Trustee"), to the list of entities receiving notice, and that prior to exercising any termination rights pursuant to Section 7 or Section 9.8 of this Grant Agreement, Bond Trustee shall have consented to the termination. Notwithstanding anything in this Section to the contrary, if (i) all bonds or debt obligations secured, in whole or in part, by the Incremental Revenues are defeased or redeemed (not including bonds or debt obligations that are refinanced); (ii) it is thirty (30) years after the Initial Payment; or (iii) the aggregate Portion of Increment Payable paid to the Agency by the Commonwealth on a cumulative basis during the term of the Grant Agreement equals the Maximum Recoverable Amount; then consent of Bond Trustee will no longer be required for any action taken pursuant to this Grant Agreement.

SECTION 9. MISCELLANEOUS

9.1 Notices. All notices or other communications hereunder from any party shall be sufficiently given, and shall be deemed given, when delivered or mailed by certified mail, postage prepaid, return receipt requested, to the other parties at their respective addresses as follows:

If to Commonwealth:	Office of Tax Increment Financing Department of Revenue P.O. Box 1556 Frankfort, KY 40602-1556 Attn: Director
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If to Agency: Louisville Medical Center Development Corporation
201 East Jefferson Street
Louisville, KY 40202
Attn: President

With a copy to: Jeffrey A. McKenzie
Greenebaum Doll & McDonald PLLC
3500 National City Tower
Louisville, KY 40202

9.2 Binding Effect. This Grant Agreement shall be binding upon the parties hereto and upon their respective successors and assigns.

9.3 Severability. If any clause, provision, or section of this Grant Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision, or section shall not affect any of the remaining clauses, provisions or sections hereof.

9.4 Governing Law. This Grant Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky and enforceable in courts of competent jurisdiction.

9.5 Entire Agreement; Modifications. This Grant Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Grant Agreement. This Grant Agreement shall not be modified, amended, cancelled or terminated except by an agreement in writing signed by the parties hereto. The parties hereto covenant that they will not unreasonably withhold their consent to any clerical or non-substantive technical amendment to the Grant Agreement

9.6 Counterparts. This Grant Agreement may be executed in any number of counterparts by some or all of the parties hereto, each of which shall be an original and all of which shall together constitute one and the same instrument.

9.7 Further Assurances. Each of the parties hereto shall use reasonable efforts and cooperate fully with each other in order to promptly and fully carry out the terms and provisions of this Grant Agreement. Each party hereto shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Grant Agreement.

9.8 Mutual Termination. In addition to any other provisions relating to termination of this Grant Agreement contained herein, this Agreement shall terminate upon the written agreement of all the parties hereto.

9.9 Sections. References to "Sections" shall be to sections of this Agreement, unless otherwise expressly designated.

9.10 Section Headings. Section headings are for reference only and shall have no interpretative weight or value.

9.11 Plural. The plural and singular form of words shall import either or both a plural and/or singular meaning, as the case may be.

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed by their officers and officials thereunto duly authorized as of the date first written above.

Approved as to Form and Legality:

By: [Signature]

Name: Jeff McKenzie

Title: CEO, GREENSBAM DOLL & MCDONALD PLLC

**LOUISVILLE MEDICAL CENTER
DEVELOPMENT CORPORATION**

By: [Signature]

Name: STEVEN R GAILLAR

Title: PRESIDENT

COMMONWEALTH OF KENTUCKY

Approved as to Form and Legality:

By: Laura M. Ferguson

Name: Laura M. Ferguson

Title: Staff Attorney III, Office
of Legal Services for Revenue

By: Robert M. Burnside

Name: Robert M. Burnside

Title: Secretary of Finance

EXHIBIT A

PROJECT DESCRIPTION

The project consists of 13 Health and Life Science facilities between the blocks of Market and Broadway and Brook and Shelby Streets in downtown Louisville, described as follows:

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#1 **HEALTH AND LIFE SCIENCES RESEARCH PARK:** This Facility represents a Health and Life Sciences Research Park, to be located between Brook and Preston Streets and Jefferson and Market Streets. Construction is projected to start in January of 2008 and be completed in December 2016, with total square footage anticipated to be approximately 810,000 square feet. The total projected construction cost of these facilities is \$330,422,000 (inclusive of all fees and costs).

#4 **HEALTH AND LIFE SCIENCES RESEARCH SUPPORT OFFICES.**

#4A. Facility #4A represents a newly constructed Health and Life Sciences Research Support Offices to be located West of the Ambulatory Care Building between Abraham Flexner and Chestnut Streets. Construction of the office space is projected to start around September 2009 and will be completed around December 2011, with total projected square footage for the office space being 198,000 square feet. The total construction cost of the proposed office space is projected at \$56,000,000.

#4B-#4D. (currently the American Automotive Association building). Facilities #4B-#4D represent the land acquisition and new construction of Health and Life Sciences Research Support Office Space to be located between Gray Street and Broadway on Jackson Street. Acquisition of the land will occur around July 2014 and construction for the office space will start around July 2018 and end around December 2021. Total square footage for the office space is 186,400 square feet with a projected acquisition cost for the land is \$22,000,000 and total projected construction cost for the proposed office space projected at \$24,000,000

#4E. (currently MEDCENTER 1). Facility #4E will be a newly renovated Health and Life Sciences Research Support Office Space to be located at the corner of Broadway and Jackson Street. Renovation of the office space will start around July 2014 and will be completed around December 2019, with total projected square footage for the office space projected at 54,000 square feet. The total construction cost for the proposed office space is projected at \$3,000,000

#4F-#4H. (currently METRO CORRECTIONAL FACILITY/JADAC). The Facilities represented by items #4D-#4H will be newly constructed Health and Life Sciences Research Support Office Space which will be between Chestnut Street and Springer Alley on Preston Street. Acquisition of the land will occur around July 2017 and construction for the office space will start around July 2022 and end around December 2027, with total projected square footage for the office space being estimated at 130,950

square feet. The total estimated acquisition cost for the land is \$11,000,000 and total construction cost for the proposed office space is projected at \$46,000,000.

#6 HEALTH AND LIFE SCIENCES RESEARCH BUILDINGS. The facilities described at #6A and #6B will be newly constructed U of L Health and Life Sciences Research Buildings, to be located between Chestnut and Madison Streets and Hancock and Clay Streets. Construction of the research buildings will begin around July 2010 (Facility #6A) and end around December 2017 (Facility #6B), with current square footage of the research buildings estimated at approximately 638,750 square feet. The construction costs for these buildings are estimated to be \$380,000,000.

#8 MEDICAL CENTER EMERGENCY UTILITY PLANT AND EXPANSION. Facility #8 represents what will be the construction and future expansion of the Medical Center Emergency Utility Plant to be located on Chestnut Street between Clay and Shelby Streets. Construction of this Plant will begin around May 2009 and will be completed around December 2011. Expansion of this Plant will begin around June 2015 and will be completed around December 2016. Projected new square footage of the Medical Center Emergency Utility Plant is 40,000 square feet, including 10,000 square footage of expansion. Total projected cost for the construction and expansion of the Medical Center Emergency Utility Plant is estimated to be \$50,000,000 (\$30,000,000/construction and \$20,000,000/expansion).

#9 JACKSON STREET PARKING DECK. Facility #9 represents what will be the modifications to the Jackson Street Parking Deck which will be located between Muhammad Ali and Abraham Flexner on Jackson Street. Modification of the Jackson Street Deck will occur around July 2013 and end around December 2014. The total estimated cost for modification of this Deck is \$5,000,000.

#10 CLAY STREET PARKING DECK. Facility #10 represents what will be the Clay Street Parking Deck which will be located on the corner of Muhammad Ali and Clay Street. New construction for the Clay Street Parking Deck is projected to begin around April 2008 and end around December 2010. The total projected cost for this Deck is \$31,000,000.

#11 GRAY STREET PARKING DECK AND LAND ACQUISITION. Facility #11 will be the Gray Street Parking Deck which will be located on Gray Street between Jackson and Hancock Streets. The acquisition of land for the Gray Street Parking Deck will occur around July 2013, with the construction to begin around September 2013 and end around December 2015. The total projected cost of construction is \$26,000,000 and the land acquisition for this Deck is \$11,000,000.

#12 INPATIENT/OUTPATIENT CLINIC. Facility #12 represents what will be the Inpatient/Outpatient Clinic, to be between Muhammad Ali Blvd. and Madison Street on Hancock Street. New construction on this Facility will begin around January 2009 and will be completed around December 2013. The proposed new square footage for the Clinic is estimated at 253,000. Total projected cost for this Facility is estimated to be \$148,000,000.

#14 CLINICAL ANCILLARY SUPPORT BUILDING. Facility #14 represents what will be the Clinical Ancillary Support Building, which will be at the corner of Chestnut

and Hancock Streets. New construction will begin around June 2010 and will be completed around December 2011. The proposed square footage for the building is estimated at 97,500. Total projected cost of the building is estimated to be \$78,000,000.

#15 HEALTH AND LIFE SCIENCES RESEARCH SUPPORT BUILDING. Facility #15 represents what will be the renovation of the former Home of the Innocents Building. This building is between Gray Street and Springer Alley on Jackson Street. Renovation of this building will begin around October 2007 and will be completed around December 2010. The square footage of the building is 36,012 square feet. Total projected cost of renovations to the building is estimated to be \$5,000,000.

#16 CANCER CENTER RESEARCH EXPANSION. Facility #16 represents what will be an expansion to the James Graham Brown Cancer Center. This Facility will be between Madison Street and Muhammad Ali on Jackson Street. Construction will begin around May 2018 and will be completed around December 2019. The estimated square footage of the Facility is 20,000 square feet.

#17 HEALTH AND LIFE SCIENCES OFFICE BUILDING. Facility #17 represents what will be the construction of an expansion to the Health and Life Sciences Office Building, to be located on the corner of Abraham Flexner and Preston Streets. Construction will begin around June 2011 and will be completed around December 2012. The estimated square footage of the Facility is 61,250 square feet. Total projected cost of the Facility is estimated to be \$18,000,000.

18A AND 18B. MEDICAL CENTER EXPANSION. Facilities #18A and 18B represent what will be an expansion of clinical service programs for the Medical Center, to be located at 220 Abraham Flexner Way. These expansions will begin around January 2008 and will be completed around December 2009. The estimated size of the expanded facility is 447,000.

#18C FLOYD STREET PARKING GARAGE EXPANSION. Facility #18C represents what will be the construction of an expansion of a parking garage. This expansion will be at the corner of Muhammad Ali Blvd and Floyd Street. Construction will begin around January 2009 and will be completed around June 2010. The size of the current facility is 421,750 square feet and the estimated square footage of the expanded Facility is 932,625 (for 510,875 of total new square footage).

#18D ABRAHAM FLEXNER PEDWAY. Facility #18D represents what will be the construction of a pedway connection to Frazier Rehab. This construction will be at 220 Abraham Flexner Way. Construction will begin around January 2010 and will be completed around December 2010. The total estimated square footage of the pedway is 6000 square feet. Total projected cost of the Facility is estimated to be \$3,100,000.

#18F BROOK STREET PARKING GARAGE. Facility #18F represents what will be the construction of a new parking garage consisting of 1500 spaces. This construction will be at 200 E. Liberty Street. Construction will begin around January 2013 and will be completed around September 2014. Estimated new square footage is 1,000,000 square feet. Total projected cost of the construction is estimated to be \$17,500,000.

#18G MEDICAL CENTER ICU UNITS. Facility #18G represents what will be the construction of 4 new Medical Center ICU Units. This construction will be at 200 Abraham

Flexner Way. Construction will begin around February 2014 and will be completed around December 2015. Current square footage is 510,000 and the total estimated square footage for the Medical Center ICU Units is 120,000 additional square feet (for a total of 630,000 square feet).

Construction is estimated to begin in 2008 and to be completed by the end of 2029.

The estimated costs of construction are \$1.345 billion, of which \$34,826,000 are acquisition costs.

EXHIBIT B
ORDINANCE

Please see the attached.

ORDINANCE NO. 170, SERIES 2007

AN ORDINANCE ESTABLISHING A DEVELOPMENT AREA PURSUANT TO 2007 HOUSE BILL 549 TO BE KNOWN AS THE LOUISVILLE LIFE AND HEALTH SCIENCES DEVELOPMENT AREA, DESIGNATING THE LOUISVILLE MEDICAL CENTER DEVELOPMENT CORPORATION AS AN "AGENCY", APPROVING ENTERING INTO A LOCAL PARTICIPATION AGREEMENT, AUTHORIZING THE PAYMENT OF THE "RELEASED AMOUNT" PURSUANT TO THE TERMS AND CONDITIONS OF THE LOCAL PARTICIPATION AGREEMENT, REQUIRING THE SUBMISSION OF REGULAR REPORTS TO LOUISVILLE AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS AND THE TAKING OF ANY OTHER ACTIONS NECESSARY TO ACCOMPLISH THE PURPOSES AUTHORIZED BY THIS ORDINANCE.

SPONSORED BY: Councilmen Tandy & Blackwell

WHEREAS, the 2007 General Assembly enacted 2007 House Bill 549 (the "Act") relating to tax increment financing and urban redevelopment, which Act authorizes the Signature Project Program to encourage private investment in the development of major projects that will have a significant impact in the Commonwealth; and

WHEREAS, the Louisville Medical Center Development Corporation ("LMCDC") intends to undertake a major project within the Louisville Medical Center to complete the LMCDC Research Park and the Louisville Medical Center and the related public infrastructure, as more particularly described in Exhibit A attached hereto (the "Project"); and

WHEREAS, the Project will cost in excess of \$200 million and will represent new economic activity in the Commonwealth and therefore qualifies as a "Signature Project" under the Act; and

WHEREAS, the Council finds that the Development Area as illustrated on Exhibit B attached hereto is an area in need of public improvement and the Project to be undertaken in the Development Area by LMCDC will result in the increase in the value of property located in the Development Area and will result in increased employment within the Development Area; and

WHEREAS, it is therefore in the interest of Louisville and LMCDC that there be a plan for the optimal revitalization and development of the Development Area in a most efficient manner; and

WHEREAS, the use of tax increment financing has proven to be successful and of great benefit to areas in need of revitalization and development in other parts of the country; therefore, the development of a "Signature Project", within the meaning of Act

and as presented by LMCDC, to enable Louisville and the Commonwealth to use tax increment financing to encourage major economic development projects, is a worthy public purpose; and

WHEREAS, Louisville is authorized under the Act to execute a local participation agreement with an agency in acknowledgement of benefits to be derived by Louisville within a development area in order to promote the public purpose of Louisville; and

WHEREAS, LMCDC is organized and incorporated as a non-profit corporation which is seeking and anticipates tax-exempt charitable status and is located within Louisville; and

WHEREAS, Louisville desires to assist LMCDC with the costs of the Project and agrees to enter into the Local Participation Agreement in order to pay to LMCDC the Released Amount (as hereinafter defined) for use solely for purposes of the Project.

BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) AS FOLLOWS:

Section 1. That the Council finds as follows:

- A. All statements of fact set forth in the recitals to this Ordinance are found true and correct and are incorporated herein by reference.
- B. The establishment of the Development Area shall not cause the assessed value of taxable real estate in all development areas located in Louisville to exceed 20% of the assessed value of all taxable real property in Louisville.
- C. There exists inadequate public infrastructure in the Development Area and the costs required to repair and improve existing infrastructure and to construct new infrastructure impedes the development of commercial property within the Development Area.
- D. As supported by the data and findings contained in Exhibit C, attached hereto:
 1. The Development Area will not reasonably be developed without public assistance; and
 2. The public benefits to be derived by the Project justify the public costs to Louisville; and
 3. The area immediately surrounding the Development Area has not been subject to the expected growth and development through investment by private enterprise.

Section 2. That the Development Area as illustrated in Exhibit B is designated as a development area pursuant to the Act and shall be named the Louisville Life and Health Sciences Development Area and shall be established as of the effective date of this Ordinance and shall terminate on the earlier of (a) the termination of the Local Participation Agreement, or (b) 40 years from the date hereof.

Section 3. That the Louisville Medical Center Development Corporation, a Kentucky non-profit corporation (a) is designated as the Agency, pursuant to the terms of the Act, (b) shall be the recipient of the Released Amount under the Local Participation Agreement and (c) shall be required to oversee and administer the implementation of the Project within the Development Area. No less than annually, LMCDC shall (a) submit a report to the Division of Tax Increment Financing within the Office of the Kentucky Department of Revenue (i) certifying the use of the Released Amount for the payment of approved project costs within the Development Area, and (ii) providing an accounting of the receipt and use of the Released Amount, and (b) submit the report to the Department of Finance required pursuant to the Local Participation Agreement.

Section 4. That the Mayor is authorized to negotiate and enter into a Local Participation Agreement with LMCDC for the release to LMCDC of a portion of the new occupational license fees expected to be derived by Louisville from the Project to be constructed in the Development Area ("Released Amount"), substantially in the form attached hereto as Exhibit D.

Section 5. That the Department of Finance is designated as the department in Louisville to oversee the payment of the Released Amount and to review all documentation concerning the Project, its progress, costs and development. The Department of Finance shall annually submit to the Council a report concerning the Development Area including but not limited to:

- A. An accounting of all payments made to LMCDC pursuant to the Local Participation Agreement;
- B. An analysis and review of development activity within the Development Area;
- C. The progress made toward meeting the stated goals of the Development Area;
- D. An accounting of the Approved Public Infrastructure Costs, Approved Signature Project Costs and Financing Costs incurred by LMCDC.

Section 6. That the Council authorizes Louisville Metro to pay annually to LMCDC, the Released Amount which shall be a sum equal to 50% of the Withholding Tax Increment (as calculated pursuant to the Local Participation Agreement) subject to the following conditions:

- A. Louisville shall have no obligation to pay the Released Amount to LMCDC until the Commonwealth and LMCDC have entered into the Grant Agreement pursuant to the Act;
- B. Louisville shall withhold payment of the Released Amount until the Commonwealth certifies to Louisville, pursuant to the terms of the Local Participation Agreement that the minimum capital investment equal to \$200 million has been made in the Project (the "Minimum Capital Investment"). Until such time that the Minimum Capital Investment has been made, the Department of Finance shall deposit the Released Amount into an escrow account. Upon the certification of the Minimum Capital Investment, the Department of Finance shall pay to LMCDC the accumulated balance of the Released Amount in the escrow fund ("Escrowed Amount"). In the event that the Minimum Capital

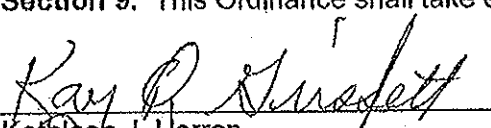
Investment is not certified by a date ten (10) years from the effective date of this Ordinance, the Escrowed Amount shall be paid into the General Fund.

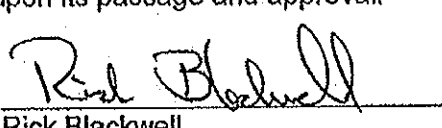
- C. In no event shall the total of the Released Amount paid to LMCDC over the term of the Local Participation Agreement exceed the Eligible Project Costs as defined in the Local Participation Agreement.

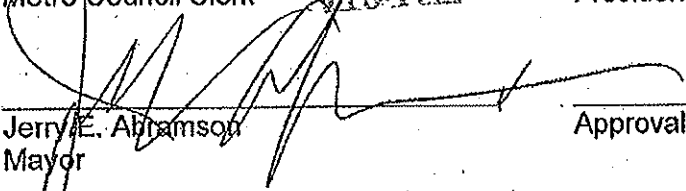
Section 7. That LMCDC shall establish a Special Fund pursuant to the Act for the Development Area as set forth in the Local Participation Agreement

Section 8. That the Mayor and other appropriate Louisville officials, and each of them, for and on behalf of Louisville, are hereby authorized, empowered and directed to do and perform any and all things necessary to effect the execution of the Local Participation Agreement, the performance of all obligations of Louisville under and pursuant to the Local Participation Agreement and related documents, and the performance of all other actions of whatever nature necessary to effect and carry out the authority conferred by this Ordinance and the Local Participation Agreement. The Mayor and other appropriate Louisville officials, and each of them, is hereby further authorized, empowered and directed for and on behalf of Louisville to execute all papers, letter, documents, undertakings, certificates, assignments, forms, instruments and closing papers that may be required for the carrying out and effectuation of the authority conferred by and for the purposes of this Ordinance and the Local Participation Agreement, or to evidence said authority and purposes, and to exercise and otherwise take all action necessary to the full realization of the rights and purposes of Louisville under the Local Participation Agreement and related documents and to perform all of the obligations of Louisville under the Local Participation Agreement and related documents.

Section 9. This Ordinance shall take effect upon its passage and approval.


Kathleen J. Herron
Metro Council Clerk Pro-Tem


Rick Blackwell
President of the Council


Jerry E. Abramson
Mayor

8-27-07
Approval Date

APPROVED AS TO FORM AND LEGALITY:

Irv Maze
Jefferson County Attorney



BY: 
LouMedCtrDevCorpEstOrdFromDMorrisROCbknDraft1.doc

8-3-07

Exhibits

- A. Description of Project**
- B. Map of Development Area**
- C. Data & Finding Re: Development Area**
- D. Local Participation Agreement**

EXHIBIT A
PROJECT DESCRIPTION
(\$'s in millions)

The health sciences campus is the physical, economic and intellectual center of downtown Louisville. With the leadership of the University of Louisville and Jewish Hospital, our city's medical advances have made more than headlines; they have increased the quality of care for patients throughout the world.

Today, medical research, discovery and innovation in Louisville are at an all time high. In order to bring all potential advancements to fruition for patients, however, the health sciences campus must include expanded research and clinical education areas, infrastructure, and specialized commercial space that specifically support the effort.

With the leadership of the University of Louisville and Jewish Hospital, capital investments in the health sciences campus over the next 20 years are projected to exceed \$2 billion. The planned development over the next 20 years will include:

Project	Capital Investment
Land Acquisition	\$ 62
MedCenter 3 - Complete fit out	2
Research/Business Park Buildings with over 700,000 sq ft of space	235
Relocation - Public Safety Services	7
Cardiovascular Innovation Center - Fit out 2 floors currently in shell condition	8
New Research Buildings	520
Renovate Resource Center Cage Area Wash	2
Expand and Renovate the Dental School	25
Old Home of the Innocents Building - Renovate	5
Ky Lions Eye Research Building - Renovate	13
Gross Anatomy Building - Renovate	2
Medical School Library - Renovate	15
New Instructional Building	17
Medical and Dental Research Building - Renovate	23
Medical School Tower - Renovate	20
Academic & Support Offices	56
University Office Space (5 buildings)	73
New parking decks (8)	154
Expansion and Modification of Existing Decks	69
I-65 Ramp Relocation	6
Pedestrian corridors and tunnel systems, green spaces and gateways	95
Frazier Pedway to Garage Addition	3
Faculty Office Building (2)	63
Clinical Ancillary Support	80
Expansion/Renovation of Clinical Space	447
Inpatient/Outpatient Clinic	150
Land Acquisition	40
Veterans' Administration Hospital	250
Heating & Chill Water Plant	60
Power Plants	14
	<u>\$ 2,505</u>

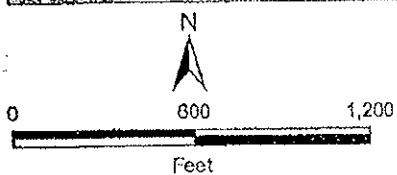
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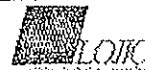
- Land Acquisition
- MedCenter 3 - Complete fit out
- Research/Business Park Buildings with over 700,000 sq ft of space
- Relocation - Public Safety Services
- Cardiovascular Innovation Center - Fit out 2 floors currently in shell condition
- New Research Buildings
- Renovate Resource Center Ancillary Support
- Expand and Renovate the Dental School
- Old Home of the Innocents Building - Renovate
- Ky Lions Eye Research Building - Renovate
- Gross Anatomy Building - Renovate
- Medical School Library - Renovate
- New Instructional Building
- Medical and Dental Research Building - Renovate
- Medical School Tower - Renovate
- Academic & Support Offices
- University Office Space (5 buildings)
- New parking decks (8)
- Expansion and Modification of Existing Decks
- I-65 Ramp Relocation
- Pedestrian corridors and tunnel systems, green spaces and gateways
- Frazier Pedway to Garage Addition
- Faculty Office Building (2)
- Expansion of Ancillary Support
- Expansion/Renovation of Clinical, Education and Research Space
- Inpatient/Outpatient Space
- Land Acquisition
- Veterans' Administration Hospital
- Heating & Chill Water Plant
- Power Plants



Development Area

Exhibit B

Aerial Imagery: Spring, 2006



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COUNTY METROPOLITAN GOVERNMENT DISTRICT (MGO),
LOUISVILLE WATER COMPANY (LWC), and
LOUISVILLE METRO GOVERNMENT.
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EXHIBIT C

Louisville Health Sciences Campus Data and Findings

The Louisville Health Sciences Campus project area is roughly bordered by Broadway (south), Market Street (north), Campbell Street (east) and Brook Street (west).

Current research, educational and clinic spaces in the Louisville health sciences campus are at capacity, threatening not only realization of potential growth, but also maintenance of the current level of economic and intellectual success.

Proposed investments include land acquisition, public improvements, new and renovated research and clinical facilities. Completion of this new development and infrastructure is not possible absent public investment. The wholly private development of properties for other commercial or economic purposes within the proposed Development Area is currently impeded by lack of public infrastructure and other factors.

The Louisville Medical Center Development Corporation, in accordance with the Louisville's downtown development plans, purchased and has completed initial planning for the development of a Business and Research Park on the "Haymarket" properties.

With current facilities near capacity and research producing unlimited potential, Louisville could lose not only economic opportunity, but also university-based research teams to cities better-equipped to accommodate the demand.

A research park located on the "Haymarket" properties will be a key component of a healthy and growing health sciences industry in Louisville. The park will remove the final barriers that stand between discovery in the laboratory, development of a commercial enterprise and introduction of advances in care. To achieve the seamless system, the research park will include:

- Public improvements to make the Louisville health sciences campus physically "one community"
- New business/research buildings to house companies recruited to Louisville and those formed from university research
- State-of-the-art laboratory space that will provide fertile soil for new commercialization ideas and an attractive lure for existing biotech companies.

Currently, the Haymarket properties are almost completely undeveloped -- an economic and visual wasteland in the midst of a thriving downtown. The best efforts to spark wholly private development of the area have not come to fruition. Public investment, however, will provide that spark.

The Business and Research Park will provide a foundation for vibrant industry:

- At full build out, the park will provide more than 700,000 square feet of much needed office and research space.
- MetaCyt will play a key role in establishing and recruiting companies to the park, targeting 12-13 new companies by 2015, with estimated employment of 1500-2000 people.
- The national average annual pay per job in the industries created by biomedical research is more than \$70,000.

UofL's research programs have achieved unprecedented success over the last decade. This success has created a significant strain on current research space and resources. Without new funding sources to support needed expansion and renovation, the growth that has benefited the city and the Commonwealth over the past 10 years will continue to slow significantly.

New and renovated research facilities are essential to moving new knowledge from the mind to the marketplace, including technology-enabled labs and buildings, infrastructure for high-throughput computer analyses, shared analytical resources and appropriate spaces for conducting pharmaceutical research.

The physical integration of the "urban campus" of the Louisville health sciences campus and its external connections to the rest of downtown has not, as yet, matched its intellectual and entrepreneurial growth.

The primary means of access to the campus is I-64 and I-65. These interstate highways provide excellent access, but once downtown, each entrance creates a circuitous and confusing route to the Louisville health sciences campus. A redesign and relocation of the Jefferson Street exit ramp one block further south from its present location removes it from the bend in I-65, increases visibility, and improves safety. It would also provide much needed clarity of access to the health sciences campus.

Internally, a series of streetscape improvements with a common theme, combined with enhanced landscaping and drop-off configurations at the institutions would do much to lessen the confusion and disjointed nature of the campus, while at the same time providing a unifying sense of place to the entire area.

A second major improvement to the physical character of the campus is the establishment of a special patient corridor on Jackson Street from Broadway to Muhammad Ali Boulevard. Addition of new landscaping and improved patient drop-off areas would greatly enhance the patient access to the UofL Health Care facilities.

Expansion of the health science campus infrastructure will create additional demand on campus utilities. Therefore, renovation of the Heating and Chill Water Plant and power plants are considered prudent investments.

Conclusion

This initiative is a key component of a comprehensive economic development strategy to foster growth in the knowledge-based economy of Louisville and the Commonwealth. Proposed development will not negatively affect the current city or state tax base; in fact, if the project is merely minimally successful, the result will be a dramatic increase in tax revenue.

The project will allow the current infrastructure limitations to be overcome, and will complete the cycle of support for Louisville's growing health sciences industry, providing much-needed high paying jobs and quality investment in the community.

EXHIBIT D

LOCAL PARTICIPATION AGREEMENT

This **LOCAL PARTICIPATION AGREEMENT** (the "Agreement") effective as of the ____ day of _____, 2007, by and between (i) **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky consolidated local government ("Louisville") and (ii) the **LOUISVILLE MEDICAL CENTER DEVELOPMENT CORPORATION**, a Kentucky non-profit corporation ("LMCDC").

RECITALS:

WHEREAS, LMCDC, Louisville and the Commonwealth of Kentucky ("Commonwealth"), intend to cause the investment of approximately \$2 billion in the development of Louisville's Life and Health Sciences Signature Project, as described in Exhibit A attached hereto ("Project").

WHEREAS, Louisville, to induce LMCDC to undertake the Project, agrees to release to LMCDC a portion of the new tax increments created by the Project pursuant to 2007 House Bill 549 (the "Act"); and

WHEREAS, pursuant to the Act, the Metro Council of Louisville by Ordinance No. ____, Series 2007 has designated the Project site as a Development Area, as more particularly depicted in Exhibit B attached hereto ("Development Area"); and

WHEREAS, the Project shall represent new economic development in Louisville; and

WHEREAS, Louisville finds that the Development Area is an area in need of public improvement and that the Project to be undertaken in the Development Area, as presented to Louisville by LMCDC in preliminary planning papers, will result in the increase in the value of property located in the Development Area and result in increased employment within the Development Area; and

WHEREAS, the Project qualifies as a "Signature Project" under Section 18 of 2007 House Bill 549 (the "Act"), relating to incentives for development and redevelopment; and

WHEREAS, it is therefore in the interest of Louisville and LMCDC that there be a plan for the optimal revitalization and development of the Development Area in a most efficient manner; and

WHEREAS, the use of tax increment financing has proven to be successful and of great benefit to areas in need of revitalization and development in other parts of the country; therefore, the development of a "Signature Project," within the meaning of the Act and as presented by LMCDC, to enable Louisville and the Commonwealth to use tax increment financing to encourage major economic development projects, is a worthy public purpose; and

WHEREAS, Louisville is authorized under the Act to execute a local participation agreement or contract with an agency in acknowledgement of benefits to be derived by Louisville within a development area in order to promote the public purpose of Louisville; and

WHEREAS, the Ordinance declares the Development Area to be a "development area" within the meaning of the Act, and the Project constitutes a "project" within the meaning of the Act; therefore, the Project is eligible to be financed through the use of tax increment "local participation agreements", "grant agreements" and "contracts of release" within the meaning of the Act; and

WHEREAS, LMCDC is organized and incorporated as a non-profit corporation which is seeking and anticipates tax-exempt charitable status and is located within Louisville/Jefferson County Metro Government; and

WHEREAS, pursuant to the Ordinance, LMCDC has been designated as the "agency," within the meaning of the Act for the purposes of identifying, developing, acquiring, financing and accomplishing the Project and entering into one or more grant agreements with the Commonwealth; and

WHEREAS, Louisville desires to assist LMCDC with the costs of the Project and agrees to enter into this Local Participation Agreement in order to release to LMCDC a portion of the Withholding Tax Increment (as hereinafter defined) for use solely for purposes of the Project; and

NOW THEREFORE, Louisville and LMCDC agree that in consideration of the premises and the additional consideration provided herein, the parties agree as follows:

Section 1. Definitions

In addition to the terms defined in the above recitals, the following additional terms used in this Agreement shall have the meanings assigned in this Section 1 unless the context clearly indicates that a contrary meaning is intended.

(a) "*Account Numbers*" shall mean the separate Withholding Tax Numbers for businesses located in the Development Area as determined pursuant to Section 3.1 of this Agreement.

(b) "*Activation Date*" means _____, 200__, being within two (2) years of the Commencement Date which, upon the written request of LMCDC to the Commonwealth and Louisville, may be extended, but in no event more than four (4) years from the Commencement Date.

(c) "*Base Year*" means January 1, 2006 through December 31, 2006, the last full year prior to the Commencement Date.

(d) "*Calendar Year*" means January 1 through and including December 31.

(e) "*Commencement Date*" shall mean the later of (i) the effective date hereof or (ii) the effective date of the Local Participation Agreement.

(f) "*Department*" means the Kentucky Department of Revenue.

(g) "*Eligible Project Costs*" shall mean the Project Expenditures certified by the Office pursuant to Section 4.3 of this Agreement.

(h) "*New Withholding Tax Revenue*" means the amount of Withholding Taxes received by Louisville after the Activation Date has occurred through the term of this Agreement.

(i) "*Occupational License Fees*" means the taxes levied by Louisville pursuant to Louisville Metro Codified Ordinances Chapter 110.

(j) "*Office*" means the Division of Tax Increment Financing within the Office of the Commissioner in the Department, established by the Act.

(k) "*Old Withholding Tax Revenue*" means the amount of Withholding Taxes received by Louisville in the Base Year. [Do we build in an escalator?]

(l) "*Termination Date*" means the date ending thirty (30) years from the Activation Date, unless terminated earlier pursuant to Section 4.1 of this Agreement.

(m) "*Grant Agreement*" means the agreement entered into between the Commonwealth and LMCDC pursuant to the terms of the Act.

(n) "*Louisville Department of Finance*" means the department of Louisville with that name.

(o) "*Released Amount*" means the amount payable in each Calendar Year from Louisville to LMCDC pursuant to Section 5.4 of this Agreement.

(p) "*Withholding Taxes*" means the Occupational License Fees received by Louisville from or attributable to the Development Area.

(q) "*Withholding Tax Increment*" means the incremental amount of Withholding Taxes collected in each Calendar Year following the Activation Date, during the term hereof, determined by subtracting the amount of Old Withholding Tax Revenue from the amount of New Withholding Tax Revenue.

Section 2. Representations and Warranties

2.1 *Representations and Warranties of LMCDC.* LMCDC, represents and warrants to Louisville as follows:

(a) *Existence.* LMCDC is a duly organized and validly existing non-profit corporation created under the laws of the Commonwealth of Kentucky.

(b) Authority to Act. LMCDC has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement, in accordance with its terms and conditions. The officers and officials executing and delivering this Agreement on behalf of LMCDC have been or are otherwise duly authorized to enter into this Agreement on behalf of LMCDC.

(c) Validity of Agreement; Compliance with Law. This Agreement is the legal, valid and binding obligation of LMCDC enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by LMCDC of the terms and conditions thereof, do not and will not materially violate any provisions of LMCDC's Articles of Incorporation or any laws applicable to LMCDC.

(d) Litigation. No litigation or proceeding involving LMCDC is pending or, to the best of the knowledge of LMCDC, is threatened in any court or administrative agency which, if determined adversely to LMCDC, could have a materially adverse impact on the ability of LMCDC to perform any of its obligations under this Agreement.

(e) Conflicting Transactions. The consummation of the transactions contemplated hereby and the performance of the obligations of LMCDC under and by virtue of this Agreement shall not result in any material breach of, or constitute a default under, any contract, agreement, lease, indenture, bond, note, loan or credit agreement to which it is a party or by which it is bound.

(f) Grant Agreement. LMCDC and the Commonwealth have executed the Grant Agreement.

2.2 Designation of Subsidiary or Related Entity. Notwithstanding the provisions of Subsection 2.1, LMCDC shall have the right to designate as the "Agency" a subsidiary or related entity of LMCDC provided that such subsidiary or related entity (i) qualifies as an agency pursuant to the Act, (ii) such subsidiary entity can make to Louisville the representations and warranties required pursuant to subsection 2.1 and (iii) such subsidiary or related entity is reasonably acceptable to Louisville.

2.3 Representations and Warranties of the Louisville. Louisville represents and warrants to LMCDC and as follows:

(a) Authority to Act. Louisville has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement in accordance with its terms and conditions. Each of the officials executing and delivering this Agreement on behalf of Louisville has been and is duly authorized to enter into this Agreement on behalf of Louisville.

(b) Validity of Agreement; Compliance with Law. This Agreement is the legal, valid and binding obligation of Louisville enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by Louisville of the terms and conditions thereof, do not and will not violate any provisions of any laws applicable to Louisville.

(c) *Bond Financing.* If requested by LMCDC, Louisville agrees to request the Metro Council to authorize the issuance of Industrial Revenue bonds for the Project, or a portion of the Project.

Section 3. Withholding Taxes

3.1 Account Numbers. LMCDC accepts the sole responsibility to identify all businesses located in the Development Area so that Louisville can assign separate Withholding Tax numbers (the "Account Numbers") for each business situs in the Development Area. The Account Numbers shall be used exclusively to report Withholding Taxes generated within or attributable to the Development Area. Louisville agrees to cooperate with and assist LMCDC to obtain the Account Numbers.

Section 4. Released Amount

4.1 Term. Provided that the requirements of Section 4.2 are met, Louisville agrees to pay to LMCDC, and LMCDC does accept from Louisville, the Released Amount for each calendar year beginning in the year including the Activation Date, with payment to be made beginning in the year following the Activation Date, and for successive calendar years continuing automatically thereafter until the earliest of: (i) that date thirty (30) years following the initial payment to LMCDC; (ii) Louisville's election to terminate this Agreement at the end of any current calendar year following written notice to LMCDC delivered at least sixty (60) days' prior to such calendar year end; or (iii) the aggregate of the total of the Released Amount paid to LMCDC by Louisville and the aggregate Released Amount paid to LMCDC by the Commonwealth on a cumulative basis during the term of the Agreement equals the Eligible Project Costs as verified by the Office.

4.2 Certification of Minimum Capital Investment. Prior to any Released Amount being paid by Louisville to LMCDC for the Project, the Office shall certify to Louisville that the minimum capital investment of \$200 million has been made as required by the Act. Any amount of the Released Amount received after the Activation Date but prior to certification of the minimum capital investment being made shall be held in a non-interest bearing escrow account by Louisville until the minimum capital investment is certified by the Office. All accumulated amounts of the Released Amount shall be released to LMCDC upon certification. If the minimum capital investment is not certified within ten (10) years from the Activation Date, the escrow shall be forfeited to Louisville.

4.3 Eligible Project Costs. Louisville and LMCDC shall rely on the Office to approve or verify, as applicable, each Project Expenditure identified as Approved Public Infrastructure Costs, Approved Signature Project Costs, and Financing Costs as defined in the Act.

4.4 LMCDC Reporting. LMCDC shall submit a report to the Department of Finance on or before January 31 of each year during the term of this Agreement including but not limited to:

(a) An audited certification prepared by an independent certified public accounting firm of the use and expenditure of the Released Amount by LMCDC in the preceding Calendar Year, including any Released Amount carried forward from earlier Calendar Years;

(b) An analysis and review of all development activities within the Development Area during the prior Calendar Year;

(c) A progress report on the current status of achieving the stated goals of the Project and the Development Area;

(d) A proposed spending plan for the Released Amount for the current Calendar Year;

The submission of the Report pursuant to this Section by LMCDC shall constitute submission of its request for the Released Amount required by subsection 4.6 of this Agreement.

4.5 Louisville Monitoring, Tracking and Reporting. The Department of Finance shall oversee the payment of the Released Amount to LMCDC and shall review all reports received from the Commonwealth pursuant to Section 4.3 or otherwise concerning the Project, its progress, and Eligible Project Costs and reports received from LMCDC pursuant to Section 4.4. The Department of Finance shall annually submit to the Metro Council a report concerning the Project and the Development Area including but not limited to:

(a) An accounting of all payments made to LMCDC pursuant to this Agreement in the prior fiscal year;

(b) An analysis and review of development activity within the Development Area as reported to Louisville by LMCDC;

(c) The progress made by LMCDC toward the stated goals of the Development Area as reported to Louisville by LMCDC; and

(d) An accounting of the amount of Eligible Project Costs incurred by LMCDC to date as reported to Louisville by the Office

4.6 Time of Payment. By the earlier of (i) March 1 of each Calendar Year beginning in the year after the year of the Activation Date or (ii) thirty (30) days after the submission by LMCDC of a request for the Released Amount under this Agreement, Louisville agrees to pay to LMCDC the Released Amount except as otherwise provided in Section 4.2 of this Agreement.

4.7 Use of Released Amount. Consistent with the Act, LMCDC covenants and agrees that it will use the Released Amount solely for the purposes of the design, acquisition, development, equipping, construction, installation, rehabilitation and financing of the research, education, support costs and related uses included within the Project. If the Released Amount derived under this Agreement is used to support notes, bonds or other debt obligations by or on behalf of LMCDC, LMCDC shall utilize the Released Amount received in a given year first to (1) pay the then current principal and interest payments, and (2) maintain a fully funded reserve

and thereafter to provide for the retirement or defeasance of all or a portion of the remaining notes, bonds or other debt obligations.

Section 5. Determination of Released Amount

5.1 Old Withholding Tax Revenue. LMCDC shall calculate with reasonable accuracy the amounts of Old Withholding Tax Revenue, and in doing so, LMCDC may make such assumptions as may reasonably be required. Louisville, through the Department of Finance, agrees to provide LMCDC with such assistance and documentation as may reasonably be required to calculate the amounts of Old Withholding Tax Revenue. LMCDC shall submit its calculations of the Old Withholding Tax Revenue to the Department of Finance for review and approval. Upon the determination of Old Withholding Tax Revenue and approval by the Department of Finance, Louisville and LMCDC shall stipulate the amount of Old Withholding Tax Revenue by written addendum to this Agreement. The amount of Old Withholding Tax Revenue so stipulated shall be binding upon the parties for the term of this Agreement.

5.2 New Withholding Tax Revenue. The Department of Finance shall calculate the amount of New Withholding Tax Revenue each year after the Activation Date, prior to the Time of Payment pursuant to Section 4.6 of this Agreement. The Department of Finance shall calculate the New Withholding Tax Revenue by aggregating the Withholding Taxes reported by businesses within the Development Area which have obtained Account Numbers for each business situs in the Development Area. Any Withholding Taxes that, by virtue of the participation by a business in a project with the Kentucky Economic Development Finance Authority ("KEDFA"), the payment of which will be taken as a credit against the Withholding Tax liability of the business, shall not be taken into account when calculating the New Withholding Tax Revenue.

5.3 Calculation of Withholding Tax Increment. The Department of Finance in each year following the Activation Date, prior to the Time of Payment pursuant to Section 4.6 of this Agreement shall calculate the Withholding Tax Increment which shall be a sum equal to the New Withholding Tax Revenue calculated pursuant to Section 5.2 of this Agreement minus the Old Withholding Tax Revenue calculated pursuant to Section 5.1 of this Agreement.

5.4 Calculation of Released Amount. The Department of Finance in each year following the Activation Date, prior to the Time of Payment pursuant to Section 4.5 of this Agreement, shall calculate the Released Amount, which shall be a sum equal to 50% of the Withholding Tax Increment.

Section 6. Pledge of Incremental Revenues Superior to Ordinances and Statutes

As provided in the Act, any pledge of the Released Amount in this Agreement shall be superior to any other pledge of revenues for any other purpose and shall, from the Activation Date to the Termination Date, supersede any statute or ordinance regarding the application or use of incremental revenues.

Section 7. Miscellaneous

7.1 Notices. All notices or other communications hereunder from any party shall be sufficiently given, and shall be deemed given, when delivered or mailed by first class mail or overnight delivery to the other parties at their respective addresses as follows:

If to Louisville:

Louisville/Jefferson County Metro
Government
c/o Economic Development Department
444 S. 5th Street, Ste. 600
Louisville, Kentucky 40202

Attn: C. Bruce Traugher

With a copy to:

If to LMCDC:

Louisville Medical Center Development
Corporation
501 East Broadway
Louisville, Kentucky 40202
Attn: President and Chief Financial Officer

With a copy to:

Jeffrey A. McKenzie, Esq.
Greenebaum Doll & McDonald PLLC
3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202

Section 8. Default.

8.1 Default by LMCDC. If LMCDC materially breaches of defaults on its obligations under this Agreement or any of the documents incorporated herein or in the reasonable judgment of Louisville there has been a substantial decrease in LMCDC's capacity to undertake the obligations required by this Agreement, Louisville may give written notice (with a copy of said notice being given to the Commonwealth) that remedial action must be taken within thirty (30) calendar days. LMCDC shall correct such breach or default within (30) days after receipt of such notice. However, if the default is not reasonably curable within thirty (30) days, then LMCDC may continue to cure the default or breach so long as Louisville is reasonably satisfied that sufficient progress is being made toward a cure. If such corrective action is not taken, Louisville may terminate the Agreement by giving written notice to LMCDC at least ten (10) days prior to the effective date of termination and shall be entitled to any remedy and damages available to it at law or in equity, including specific performance.

8.2 Default by Louisville. If Louisville materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein, LMCDC may give written notice to Louisville that remedial action must be taken within thirty (30) days after Louisville's receipt of such written notice. However, if the default is not reasonably curable within thirty (30) days, Louisville may continue to cure the default or breach so long as LMCDC is satisfied that sufficient progress is being made toward a cure. If such action is not taken, LMCDC shall be entitled to any remedy and damages available to it at law or in equity, including specific performance.

8.3 Exception. In the event of any default or termination by either party, the non-defaulting party shall be relieved of any executory obligations hereunder and shall be entitled to any remedy and damages available to it at law or in equity. Provided however, that in the event LMCDC has issued bonds for the benefit of the Project (including to pay for Eligible Project Costs) which are secured by a pledge of the Released Amount, Louisville shall not terminate the payment of the Released Amount for the period said bonds remain outstanding and LMCDC shall continue to comply with all applicable provisions of this Agreement necessary to make the bond payments with all applicable Released Amounts. Neither LMCDC nor Louisville will terminate or otherwise negatively impact any such pledge, and both parties shall fully cooperate to use the Released Amount to service such bonds.

Section 9. Miscellaneous Provisions.

9.1 Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns.

9.2 Severability. If any clause, provision, or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision, or section shall not affect any of the remaining clauses, provisions or sections hereof.

9.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky and enforceable in courts of competent jurisdiction.

9.4 Entire Agreement; Modifications. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement. This Agreement shall not be modified, amended, cancelled or terminated except by an agreement in writing signed by the parties hereto.

9.5 Counterparts. This Agreement may be executed in any number of counterparts by some or all of the parties hereto, each of which shall be an original and all of which shall together constitute one and the same instrument.

9.6 Further Assurances. Each of the parties hereto shall use reasonable efforts and cooperate fully with each other in order to promptly and fully carry out the terms and provisions of this Agreement. Each party hereto shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

9.7 Mutual Termination. In addition to any other provisions relating to termination of this Agreement contained herein, this Agreement shall terminate upon the written agreement of all the parties hereto, except as otherwise provided in Subsection 8.3 of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers and officials thereunto duly authorized as of the date first written above.

[Remainder of Page Intentionally Left Blank]

**LOUISVILLE/JEFFERSON COUNTY METRO
GOVERNMENT**

Approved as to Form and Legality:

By: William P. O'Brien

Name: William P. O'Brien

Title: Asst County Atty

By: _____
Jerry E. Abramson, Mayor

**LOUISVILLE MEDICAL CENTER
DEVELOPMENT CORPORATION**

Approved as to Form and Legality:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT C

FOOTPRINT

Please see the attached.

SECTION IIIA - TIF PROJECT FOOTPRINT

Footprint	Project Description	Legal Location	Current Use
1a	Health and Life Sciences Research Park	This park is located between Brook and Preston Streets and Jefferson and Market Streets.	Surface parking/ Produce Vendor/ Blood Bank/ MedCenter 3
1b	Health and Life Sciences Research Park	This park is located between Brook and Preston Streets and Jefferson and Market Streets.	Surface parking
1c	Health and Life Sciences Research Park	This park is located between Brook and Preston Streets and Jefferson and Market Streets.	Fruit Market
1d	Health and Life Sciences Research Park	This park is located between Brook and Preston Streets and Jefferson and Market Streets.	Fruit Market
1e	Health and Life Sciences Research Park	This park is located between Brook and Preston Streets and Jefferson and Market Streets.	Fire Station
4a	Research Support Offices	This office space will be located West of the Ambulatory Care Building (ACB) between Abraham Flexner and Chestnut Streets.	Vacant
4b	Research Support Offices	This office space will be located at Gray Street and Broadway on Jackson Street.	AAA
4c	Research Support Offices	This office space will be located at Gray Street and Broadway on Jackson Street.	AAA
4d	Research Support Offices	This office space will be located at Gray Street and Broadway on Jackson Street.	AAA
4e	Research Support Offices	This office space will be located at the corner of Broadway and Jackson Street.	MedCenter 1
4f	Research Support Offices	This office space buildings will be between Chestnut Street and Springer Alley on Preston Street.	Metro Facility - Correctional Facility/JADAC
4g	Research Support Offices	This office space buildings will be between Chestnut Street and Springer Alley on Preston Street.	Metro Facility - Correctional Facility/JADAC

SECTION IIIA - TIF PROJECT FOOTPRINT

Footprint	Project Description	Legal Location	Current Use
4h	Research Support Offices	This office space buildings will be between Chestnut Street and Springer Alley on Preston Street.	Metro Facility - Correctional Facility/JADAC
6a	Health and Life Sciences Research Building	This research building will be between Chestnut and Madison Streets and Hancock and Clay Streets.	Parking
6b	Health and Life Sciences Research Building	This research building will be between Chestnut and Madison Streets and Hancock and Clay Streets.	Parking
8a	Heating & Chill Water Plant	This Heating and Cooling Plant will be located on Chestnut Street between Clay and Shelby Streets.	Vacant
8b	Heating & Chill Water Plant	This Heating and Cooling Plant will be located on Chestnut Street between Clay and Shelby Streets.	Residence
9	Jackson Street Parking Deck	This parking deck will be located between Muhammad Ali and Abraham Flexner on Jackson Street.	Parking
10	Clay Street Parking Deck	This parking deck will be located on the corner of Muhammad Ali and Clay Street.	Vacant
11a	Gray Street Parking	This parking deck will be located on Gray Street between Jackson and Hancock Streets.	Parking, Rueff Lighting Warehouse
11b	Gray Street Parking	This parking deck will be located on Gray Street between Jackson and Hancock Streets.	Parking, Rueff Lighting Warehouse
12	Inpatient/Outpatient Clinic	This facility will be located between Muhammad Ali Blvd. and Madison Street on Hancock Street.	Carmichael Building
14	Clinical Ancillary Support	This building will be at the corner of Chestnut and Hancock Streets.	Stat Flight Helicopter Pad
15	Health and Life Science Research Support Building	This building is between Gray Street and Springer Alley on Jackson Street.	Vacant - former Home of the Innocents Building

SECTION IIIA - TIF PROJECT FOOTPRINT

Footprint	Project Description	Legal Location	Current Use
16	Cancer Center Research Expansion	This facility will be between Madison Street and Muhammad Ali on Jackson Street.	Vacant
17	Health and Life Sciences Office Building	This facility will be located on the corner Abraham Flexner and Preston Streets.	Parking
18a	Jewish Hospital Renovations	This expansion will be located at 220 Abraham Flexner Way.	90,000 SF Shell space floors 3,4,5
18b	Jewish Hospital Renovations	This expansion will be located at 220 Abraham Flexner Way.	30,000 SF Shell space 12th floor
18c	Jewish Hospital - Parking Deck	This expansion will be at the corner of Muhammad Ali Blvd and Floyd Street.	Old Cardiovascular Building
18d	Jewish Hospital - Pedway to Frazier Rehab	This construction will be at 220 Abraham Flexner Way.	Air rights over Abraham Flexner Way
18e	Jewish Hospital Renovations	This construction will be at 200 Abraham Flexner Way.	Current MRI Center / LG&E Vaults (underground)
18f	Jewish Hospital - Parking Deck	This construction will be at 200 E. Liberty Street.	Old SkyCare Lot
18g	Jewish Hospital Renovations	This construction will be at 200 Abraham Flexner Way.	Vacant

EXHIBIT D

APPROVED PUBLIC INFRASTRUCTURE COSTS

Buildings	\$ 403,000,000
Curbs, Sidewalks, Promenades and Pedways	\$ 3,100,000
Provision of Utilities	\$ 50,000,000
Public Spaces or Parks	\$ 5,000,000
Parking	\$ 127,000,000
TOTAL	\$ 588,100,000

EXHIBIT E

APPROVED SIGNATURE PROJECT COSTS

Purchase of parcel of land located at 435 East Broadway for Health and Life Sciences Research Support Office Space	\$ 22,000,000
Purchase of six parcels of land located at 530-540 E. Gray Street for Gray Street Parking Deck	\$ 11,000,000
Purchase of parcel of land located at 301 East Jefferson for portion of Health and Life Science Research Park	\$ 965,000
Purchase of parcel of land located at 238 South Preston Street for portion of Health and Life Science Research Park	\$ 861,000
TOTAL:	\$ 34,826,000

EXHIBIT F

LOCAL PARTICIPATION AGREEMENT

LOCAL PARTICIPATION AGREEMENT

This **LOCAL PARTICIPATION AGREEMENT** (the "Agreement") effective as of the 27th day of August, 2007, by and between (i) **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky consolidated local government ("Louisville") and (ii) the **LOUISVILLE MEDICAL CENTER DEVELOPMENT CORPORATION**, a Kentucky non-profit corporation ("LMCDC").

RECITALS:

WHEREAS, LMCDC, Louisville and the Commonwealth of Kentucky ("Commonwealth"), intend to cause the investment of approximately \$2 billion in the development of Louisville's Life and Health Sciences Signature Project, as described in Exhibit A attached hereto ("Project").

WHEREAS, Louisville, to induce LMCDC to undertake the Project, agrees to release to LMCDC a portion of the new tax increments created by the Project pursuant to 2007 House Bill 549 (the "Act"); and

WHEREAS, pursuant to the Act, the Metro Council of Louisville by Ordinance No. 170, Series 2007 has designated the Project site as a Development Area, as more particularly depicted in Exhibit B attached hereto ("Development Area"); and

WHEREAS, the Project shall represent new economic development in Louisville; and

WHEREAS, Louisville finds that the Development Area is an area in need of public improvement and that the Project to be undertaken in the Development Area, as presented to Louisville by LMCDC in preliminary planning papers, will result in the increase in the value of property located in the Development Area and result in increased employment within the Development Area; and

WHEREAS, the Project qualifies as a "Signature Project" under Section 18 of 2007 House Bill 549 (the "Act"), relating to incentives for development and redevelopment; and

WHEREAS, it is therefore in the interest of Louisville and LMCDC that there be a plan for the optimal revitalization and development of the Development Area in a most efficient manner; and

WHEREAS, the use of tax increment financing has proven to be successful and of great benefit to areas in need of revitalization and development in other parts of the country; therefore, the development of a "Signature Project," within the meaning of the Act and as presented by LMCDC, to enable Louisville and the Commonwealth to use tax increment financing to encourage major economic development projects, is a worthy public purpose; and

WHEREAS, Louisville is authorized under the Act to execute a local participation agreement or contract with an agency in acknowledgement of benefits to be derived by Louisville within a development area in order to promote the public purpose of Louisville; and

WHEREAS, the Ordinance declares the Development Area to be a “development area” within the meaning of the Act, and the Project constitutes a “project” within the meaning of the Act; therefore, the Project is eligible to be financed through the use of tax increment “local participation agreements”, “grant agreements” and “contracts of release” within the meaning of the Act; and

WHEREAS, LMCDC is organized and incorporated as a non-profit corporation which is seeking and anticipates tax-exempt charitable status and is located within Louisville/Jefferson County Metro Government; and

WHEREAS, pursuant to the Ordinance, LMCDC has been designated as the “agency,” within the meaning of the Act for the purposes of identifying, developing, acquiring, financing and accomplishing the Project and entering into one or more grant agreements with the Commonwealth; and

WHEREAS, Louisville desires to assist LMCDC with the costs of the Project and agrees to enter into this Local Participation Agreement in order to release to LMCDC a portion of the Withholding Tax Increment (as hereinafter defined) for use solely for purposes of the Project; and

NOW THEREFORE, Louisville and LMCDC agree that in consideration of the premises and the additional consideration provided herein, the parties agree as follows:

Section 1. Definitions

In addition to the terms defined in the above recitals, the following additional terms used in this Agreement shall have the meanings assigned in this Section 1 unless the context clearly indicates that a contrary meaning is intended.

(a) **“Account Numbers”** shall mean the separate Withholding Tax Numbers for businesses located in the Development Area as determined pursuant to Section 3.1 of this Agreement.

(b) **“Activation Date”** means a date on or before December 31, 2010, but such date upon the written request of LMCDC to the Commonwealth and Louisville, may be extended, but in no event more than four (4) years from the Commencement Date.

(c) **“Base Year”** means January 1, 2006 through December 31, 2006, the last full year prior to the Commencement Date.

(d) **“Calendar Year”** means January 1 through and including December 31.

(e) **“Commencement Date”** shall mean the later of (i) the effective date hereof or (ii) the effective date of the Local Participation Agreement.

(f) **“Department”** means the Kentucky Department of Revenue.

(g) *"Eligible Project Costs"* shall mean the Project Expenditures certified by the Office pursuant to Section 4.3 of this Agreement.

(h) *"New Withholding Tax Revenue"* means the amount of Withholding Taxes received by Louisville after the Activation Date has occurred through the term of this Agreement.

(i) *"Occupational License Fees"* means the taxes levied by Louisville pursuant to Louisville Metro Codified Ordinances Chapter 110.

(j) *"Office"* means the Division of Tax Increment Financing within the Office of the Commissioner in the Department, established by the Act.

(k) *"Old Withholding Tax Revenue"* means the amount of Withholding Taxes received by Louisville in the Base Year.

(l) *"Termination Date"* means the date ending thirty (30) years from the Activation Date, unless terminated earlier pursuant to Section 4.1 of this Agreement.

(m) *"Grant Agreement"* means the agreement entered into between the Commonwealth and LMCDC pursuant to the terms of the Act.

(n) *"Louisville Department of Finance"* means the department of Louisville with that name.

(o) *"Released Amount"* means the amount payable in each Calendar Year from Louisville to LMCDC pursuant to Section 5.4 of this Agreement.

(p) *"Withholding Taxes"* means the Occupational License Fees received by Louisville from or attributable to the Development Area.

(q) *"Withholding Tax Increment"* means the incremental amount of Withholding Taxes collected in each Calendar Year following the Activation Date, during the term hereof, determined by subtracting the amount of Old Withholding Tax Revenue from the amount of New Withholding Tax Revenue.

Section 2. Representations and Warranties

2.1 Representations and Warranties of LMCDC. LMCDC, represents and warrants to Louisville as follows:

(a) *Existence.* LMCDC is a duly organized and validly existing non-profit corporation created under the laws of the Commonwealth of Kentucky.

(b) *Authority to Act.* LMCDC has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement, in accordance with its terms and conditions. The officers and officials executing and delivering this Agreement on behalf of

LMCDC have been or are otherwise duly authorized to enter into this Agreement on behalf of LMCDC.

(c) *Validity of Agreement; Compliance with Law.* This Agreement is the legal, valid and binding obligation of LMCDC enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by LMCDC of the terms and conditions thereof, do not and will not materially violate any provisions of LMCDC's Articles of Incorporation or any laws applicable to LMCDC.

(d) *Litigation.* No litigation or proceeding involving LMCDC is pending or, to the best of the knowledge of LMCDC, is threatened in any court or administrative agency which, if determined adversely to LMCDC, could have a materially adverse impact on the ability of LMCDC to perform any of its obligations under this Agreement.

(e) *Conflicting Transactions.* The consummation of the transactions contemplated hereby and the performance of the obligations of LMCDC under and by virtue of this Agreement shall not result in any material breach of, or constitute a default under, any contract, agreement, lease, indenture, bond, note, loan or credit agreement to which it is a party or by which it is bound.

(f) *Grant Agreement.* LMCDC and the Commonwealth have executed the Grant Agreement.

2.2 *Designation of Subsidiary or Related Entity.* Notwithstanding the provisions of Subsection 2.1, LMCDC shall have the right to designate as the "Agency" a subsidiary or related entity of LMCDC provided that such subsidiary or related entity (i) qualifies as an agency pursuant to the Act, (ii) such subsidiary entity can make to Louisville the representations and warranties required pursuant to subsection 2.1 and (iii) such subsidiary or related entity is reasonably acceptable to Louisville.

2.3 *Representations and Warranties of Louisville.* Louisville represents and warrants to LMCDC and as follows:

(a) *Authority to Act.* Louisville has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement in accordance with its terms and conditions. Each of the officials executing and delivering this Agreement on behalf of Louisville has been and is duly authorized to enter into this Agreement on behalf of Louisville.

(b) *Validity of Agreement; Compliance with Law.* This Agreement is the legal, valid and binding obligation of Louisville enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by Louisville of the terms and conditions thereof, do not and will not violate any provisions of any laws applicable to Louisville.

(c) *Bond Financing.* If requested by LMCDC, Louisville agrees to request the Metro Council to authorize the issuance of Industrial Revenue bonds for the Project, or a portion of the Project.

Section 3. Withholding Taxes

3.1 Account Numbers. LMCDC accepts the sole responsibility to identify all businesses located in the Development Area so that Louisville can assign separate Withholding Tax numbers (the "Account Numbers") for each business situs in the Development Area. The Account Numbers shall be used exclusively to report Withholding Taxes generated within or attributable to the Development Area. Louisville agrees to cooperate with and assist LMCDC to obtain the Account Numbers.

Section 4. Released Amount

4.1 Term. Provided that the requirements of Section 4.2 are met, Louisville agrees to pay to LMCDC, and LMCDC does accept from Louisville, the Released Amount for each calendar year beginning in the year including the Activation Date, with payment to be made beginning in the year following the Activation Date, and for successive calendar years continuing automatically thereafter until the earliest of: (i) that date thirty (30) years following the initial payment to LMCDC; (ii) Louisville's election to terminate this Agreement at the end of any current calendar year following written notice to LMCDC delivered at least sixty (60) days' prior to such calendar year end; or (iii) the aggregate of the total of the Released Amount paid to LMCDC by Louisville and the aggregate Released Amount paid to LMCDC by the Commonwealth on a cumulative basis during the term of the Agreement equals the Eligible Project Costs as verified by the Office.

4.2 Certification of Minimum Capital Investment. Prior to any Released Amount being paid by Louisville to LMCDC for the Project, the Office shall certify to Louisville that the minimum capital investment of \$200 million has been made as required by the Act. Any amount of the Released Amount received after the Activation Date but prior to certification of the minimum capital investment being made shall be held in a non-interest bearing escrow account by Louisville until the minimum capital investment is certified by the Office. All accumulated amounts of the Released Amount shall be released to LMCDC upon certification. If the minimum capital investment is not certified within ten (10) years from the Activation Date, the escrow shall be forfeited to Louisville.

4.3 Eligible Project Costs. Louisville and LMCDC shall rely on the Office to approve or verify, as applicable, each Project Expenditure identified as Approved Public Infrastructure Costs, Approved Signature Project Costs, and Financing Costs as defined in the Act.

4.4 LMCDC Reporting. LMCDC shall submit a report to the Department of Finance on or before January 31 of each year during the term of this Agreement including but not limited to:

(a) An audited certification prepared by an independent certified public accounting firm of the use and expenditure of the Released Amount by LMCDC in the preceding Calendar Year, including any Released Amount carried forward from earlier Calendar Years;

(b) An analysis and review of all development activities within the Development Area during the prior Calendar Year;

(c) A progress report on the current status of achieving the stated goals of the Project and the Development Area;

(d) A proposed spending plan for the Released Amount for the current Calendar Year;

The submission of the Report pursuant to this Section by LMCDC shall constitute submission of its request for the Released Amount required by subsection 4.6 of this Agreement.

4.5 Louisville Monitoring, Tracking and Reporting. The Department of Finance shall oversee the payment of the Released Amount to LMCDC and shall review all reports received from the Commonwealth pursuant to Section 4.3 or otherwise concerning the Project, its progress, and Eligible Project Costs and reports received from LMCDC pursuant to Section 4.4. The Department of Finance shall annually submit to the Metro Council a report concerning the Project and the Development Area including but not limited to:

(a) An accounting of all payments made to LMCDC pursuant to this Agreement in the prior fiscal year;

(b) An analysis and review of development activity within the Development Area as reported to Louisville by LMCDC;

(c) The progress made by LMCDC toward the stated goals of the Development Area as reported to Louisville by LMCDC; and

(d) An accounting of the amount of Eligible Project Costs incurred by LMCDC to date as reported to Louisville by the Office

4.6 Time of Payment. By the earlier of (i) March 1 of each Calendar Year beginning in the year after the year of the Activation Date or (ii) thirty (30) days after the submission by LMCDC of a request for the Released Amount under this Agreement, Louisville agrees to pay to LMCDC the Released Amount except as otherwise provided in Section 4.2 of this Agreement.

4.7 Use of Released Amount. Consistent with the Act, LMCDC covenants and agrees that it will use the Released Amount solely for the purposes of the design, acquisition, development, equipping, construction, installation, rehabilitation and financing of the research, education, support costs and related uses included within the Project. If the Released Amount derived under this Agreement is used to support notes, bonds or other debt obligations by or on behalf of LMCDC, LMCDC shall utilize the Released Amount received in a given year first to (1) pay the then current principal and interest payments, and (2) maintain a fully funded reserve and thereafter to provide for the retirement or defeasance of all or a portion of the remaining notes, bonds or other debt obligations.

4.8 Special Fund. LMCDC shall maintain a special fund pursuant to KRS 65.7061 and all Released Amounts received from Louisville and the Commonwealth shall be immediately deposited in the Special Fund and shall be used solely by LMCDC for the uses set forth in Section 4.7 of this Agreement

Section 5. Determination of Released Amount

5.1 Old Withholding Tax Revenue. LMCDC shall calculate with reasonable accuracy the amounts of Old Withholding Tax Revenue, and in doing so, LMCDC may make such assumptions as may reasonably be required. Louisville, through the Department of Finance, agrees to provide LMCDC with such assistance and documentation as may reasonably be required to calculate the amounts of Old Withholding Tax Revenue. LMCDC shall submit its calculations of the Old Withholding Tax Revenue to the Department of Finance for review and approval. Upon the determination of Old Withholding Tax Revenue and approval by the Department of Finance, Louisville and LMCDC shall stipulate the amount of Old Withholding Tax Revenue by written addendum to this Agreement. The amount of Old Withholding Tax Revenue so stipulated shall be binding upon the parties for the term of this Agreement.

5.2 New Withholding Tax Revenue. The Department of Finance shall calculate the amount of New Withholding Tax Revenue each year after the Activation Date, prior to the Time of Payment pursuant to Section 4.6 of this Agreement. The Department of Finance shall calculate the New Withholding Tax Revenue by aggregating the Withholding Taxes reported by businesses within the Development Area which have obtained Account Numbers for each business situs in the Development Area. Any Withholding Taxes that, by virtue of the participation by a business in a project with the Kentucky Economic Development Finance Authority ("KEDFA"), the payment of which will be taken as a credit against the Withholding Tax liability of the business, shall not be taken into account when calculating the New Withholding Tax Revenue. The current projected new Withholding Tax Revenues are set forth in Exhibit C, but are only projections and both parties acknowledge that these projections will change and will not be the actual New Withholding Tax Revenue.

5.3 Calculation of Withholding Tax Increment. The Department of Finance in each year following the Activation Date, prior to the Time of Payment pursuant to Section 4.6 of this Agreement shall calculate the Withholding Tax Increment which shall be a sum equal to the New Withholding Tax Revenue calculated pursuant to Section 5.2 of this Agreement minus the Old Withholding Tax Revenue calculated pursuant to Section 5.1 of this Agreement.

5.4 Calculation of Released Amount. The Department of Finance in each year following the Activation Date, prior to the Time of Payment pursuant to Section 4.5 of this Agreement, shall calculate the Released Amount, which shall be a sum equal to 50% of the Withholding Tax Increment.

Section 6. Pledge of Incremental Revenues Superior to Ordinances and Statutes

As provided in the Act, any pledge of the Released Amount in this Agreement shall be superior to any other pledge of revenues for any other purpose and shall, from the Activation Date to the Termination Date, supersede any statute or ordinance regarding the application or use of incremental revenues.

Section 7. Miscellaneous

7.1 Notices. All notices or other communications hereunder from any party shall be sufficiently given, and shall be deemed given, when delivered or mailed by first class mail or overnight delivery to the other parties at their respective addresses as follows:

If to Louisville:	Louisville/Jefferson County Metro Government c/o Economic Development Department 444 S. 5 th Street, Ste. 600 Louisville, Kentucky 40202 Attn: C. Bruce Traugher
With a copy to:	J. David Morris Economic Development Department 444 S. Fifth Street, Suite 600 Louisville, Kentucky 40202
If to LMCDC:	Louisville Medical Center Development Corporation 501 East Broadway Louisville, Kentucky 40202 Attn: President and Chief Financial Officer
With a copy to:	Jeffrey A. McKenzie, Esq. Greenebaum Doll & McDonald PLLC 3500 National City Tower 101 South Fifth Street Louisville, Kentucky 40202

Section 8. Default.

8.1 Default by LMCDC. If LMCDC materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein or in the reasonable judgment of Louisville there has been a substantial decrease in LMCDC's capacity to undertake the obligations required by this Agreement, Louisville may give written notice (with a copy of said notice being given to the Commonwealth) that remedial action must be taken within thirty (30) calendar days. LMCDC shall correct such breach or default within (30) days after receipt of such notice. However, if the default is not reasonably curable within thirty (30) days, then LMCDC may continue to cure the default or breach so long as Louisville is reasonably satisfied that sufficient progress is being made toward a cure. If such corrective action is not taken, Louisville may terminate the Agreement by giving written notice to LMCDC at least ten (10) days prior to the effective date of termination and shall be entitled to any remedy and damages available to it at law or in equity, including specific performance.

8.2 Default by Louisville. If Louisville materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein, LMCDC may give written notice to Louisville that remedial action must be taken within thirty (30) days after Louisville's receipt of such written notice. However, if the default is not reasonably curable within thirty (30) days, Louisville may continue to cure the default or breach so long as LMCDC is satisfied that sufficient progress is being made toward a cure. If such action is not taken, LMCDC shall be entitled to any remedy and damages available to it at law or in equity, including specific performance.

8.3 Exception. In the event of any default or termination by either party, the non-defaulting party shall be relieved of any executory obligations hereunder and shall be entitled to any remedy and damages available to it at law or in equity. Provided however, that in the event LMCDC has issued bonds for the benefit of the Project (including to pay for Eligible Project Costs) which are secured by a pledge of the Released Amount, Louisville shall not terminate the payment of the Released Amount for the period said bonds remain outstanding and LMCDC shall continue to comply with all applicable provisions of this Agreement necessary to make the bond payments with all applicable Released Amounts. Neither LMCDC nor Louisville will terminate or otherwise negatively impact any such pledge, and both parties shall fully cooperate to use the Released Amount to service such bonds.

Section 9. Miscellaneous Provisions.

9.1 Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns.

9.2 Severability. If any clause, provision, or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision, or section shall not affect any of the remaining clauses, provisions or sections hereof.

9.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky and enforceable in courts of competent jurisdiction.

9.4 Entire Agreement; Modifications. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement. This Agreement shall not be modified, amended, cancelled or terminated except by an agreement in writing signed by the parties hereto.

9.5 Counterparts. This Agreement may be executed in any number of counterparts by some or all of the parties hereto, each of which shall be an original and all of which shall together constitute one and the same instrument.

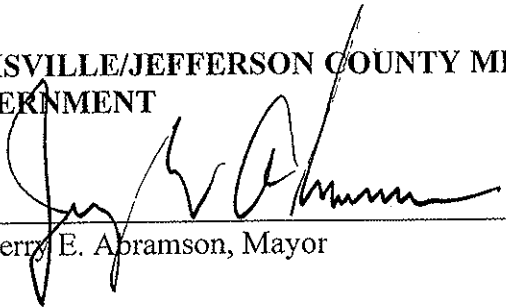
9.6 Further Assurances. Each of the parties hereto shall use reasonable efforts and cooperate fully with each other in order to promptly and fully carry out the terms and provisions of this Agreement. Each party hereto shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

9.7 Mutual Termination. In addition to any other provisions relating to termination of this Agreement contained herein, this Agreement shall terminate upon the written agreement of all the parties hereto, except as otherwise provided in Subsection 8.3 of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers and officials thereunto duly authorized as of the date first written above.

**LOUISVILLE/JEFFERSON COUNTY METRO
GOVERNMENT**

Approved as to Form and Legality:

By: 
Jerry E. Abramson, Mayor

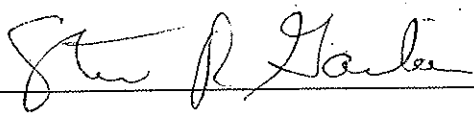
By: _____

Name: _____

Title: _____

**LOUISVILLE MEDICAL CENTER
DEVELOPMENT CORPORATION**

Approved as to Form and Legality:

By: 

By: 

Name: STEVEN R. GAILOR

Name: JEFF MCKENNEY

Title: PRESIDENT CEO

Title: ATTORNEY

9.7 Mutual Termination. In addition to any other provisions relating to termination of this Agreement contained herein, this Agreement shall terminate upon the written agreement of all the parties hereto, except as otherwise provided in Subsection 8.3 of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers and officials thereunto duly authorized as of the date first written above.

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**LOUISVILLE/JEFFERSON COUNTY METRO
GOVERNMENT**

Approved as to Form and Legality:

By: William P. O'Brien

Name: William P. O'Brien

Title: Asst County Atty

By: _____
Jerry E. Abramson, Mayor

**LOUISVILLE MEDICAL CENTER
DEVELOPMENT CORPORATION**

Approved as to Form and Legality:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT C
PROJECTED NEW WITHHOLDING TAX REVENUE

2010 \$	2,341,965
2011 \$	2,746,669
2012 \$	3,029,760
2013 \$	2,967,186
2014 \$	3,556,633
2015 \$	4,123,018
2016 \$	4,492,828
2017 \$	4,476,303
2018 \$	5,123,980
2019 \$	5,725,025
2020 \$	6,121,060
2021 \$	6,648,726
2022 \$	7,269,065
2023 \$	7,858,843
2024 \$	8,394,931
2025 \$	9,110,558
2026 \$	9,807,825
2027 \$	10,488,954
2028 \$	11,268,801
2029 \$	12,093,609
2030 \$	12,966,023
2031 \$	13,888,841
2032 \$	14,865,030
2033 \$	15,897,732
2034 \$	16,990,276
2035 \$	18,146,190
2036 \$	19,369,209
2037 \$	20,663,293
2038 \$	22,032,636
2039 \$	23,481,682
	<hr/>
	\$305,946,651

EXHIBIT G

PROJECTED NEW REVENUES

The Commonwealth, the Commission and the Office have neither participated in, nor are responsible for, making the assumptions and projections that were used in calculating the projected New Revenues. The actual New Revenues, as calculated, rather than the projected New Revenues, will determine the amount of the Portion of Increment Payable due to the Agency for each calendar year.

Individual Income Tax Projected New Revenues

Year 1	\$ 6,259,873
Year 2	\$ 8,141,161
Year 3	\$ 8,687,583
Year 4	\$10,741,844
Year 5	\$12,568,555
Year 6	\$14,273,988
Year 7	\$15,552,518
Year 8	\$15,320,375
Year 9	\$17,163,188
Year 10	\$19,351,756
Year 11	\$19,601,265
Year 12	\$20,531,332
Year 13	\$21,358,952
Year 14	\$22,005,903
Year 15	\$22,665,512
Year 16	\$23,541,130
Year 17	\$24,258,178
Year 18	\$24,660,436
Year 19	\$25,411,235
Year 20	\$26,185,120
Year 21	\$26,982,800
Year 22	\$27,805,008
Year 23	\$28,652,508
Year 24	\$29,526,076
Year 25	\$30,426,522
Year 26	\$31,354,670
Year 27	\$32,311,379
Year 28	\$33,297,535
Year 29	\$34,314,044
Year 30	\$35,361,846

Corporate Income Tax and LLET Projected New Revenues

Year 1	\$ 0
Year 2	\$ 0
Year 3	\$ 0
Year 4	\$ 0
Year 5	\$ 0
Year 6	\$ 0
Year 7	\$ 0
Year 8	\$ 412,500
Year 9	\$ 2,557,500
Year 10	\$ 4,702,500
Year 11	\$ 6,847,500
Year 12	\$ 8,992,500
Year 13	\$11,137,500
Year 14	\$13,282,500
Year 15	\$15,427,500
Year 16	\$17,572,500
Year 17	\$19,717,500
Year 18	\$21,862,500
Year 19	\$24,007,500
Year 20	\$26,152,500
Year 21	\$28,297,500
Year 22	\$30,442,500
Year 23	\$32,587,500
Year 24	\$34,732,500
Year 25	\$36,877,500
Year 26	\$39,022,500
Year 27	\$41,167,500
Year 28	\$43,225,875
Year 29	\$45,387,169
Year 30	\$47,656,527

EXHIBIT H

103 KAR 50:050E

Please see the attached.

STATEMENT OF EMERGENCY
103 KAR 50:050E

This emergency administrative regulation is being promulgated in response to the changes to the statutes relating to tax increment financing, specifically KRS 65.7041 through 65.7083. The State Tax Increment Financing Commission is required by KRS 65.7069(8) to promulgate any regulations necessary for the administration of the statutes relating to tax increment financing. This emergency administrative regulation must be placed into effect immediately, as applicants, in order to qualify for the signature project prior to January 1, 2008 must have completed the entire application process and have a project grant agreement executed prior to that date, and this regulation will provide guidance to the applicants as to certain terms that affect the application. An ordinary administrative regulation is not sufficient, because it will delay the filing of applications and make it impossible for the State Tax Increment Financing Commission and potential applicants to complete the process prior to the January 1, 2008 statutory deadline. This emergency administrative regulation shall be replaced by an ordinary administrative regulation which is being filed with the Regulations Compiler simultaneously with this emergency administrative regulation. The ordinary administrative regulation is identical to this emergency administrative regulation.

ERNIE FLETCHER, Governor
ROBERT M. BURNSIDE, Chair

FINANCE AND ADMINISTRATION CABINET
State Tax Increment Financing Commission
(New Emergency Administrative Regulation)

103 KAR 50:050E. Incremental Revenues for Income and Limited Liability Entity Taxes.

RELATES TO: KRS 65.7045, 65.7071, 65.7075, 65.7077

STATUTORY AUTHORITY: KRS 65.7069(8)

EFFECTIVE: August 16, 2007

NECESSITY AND FUNCTION: KRS 65.7069(8) authorizes the State Tax Increment Financing Commission to promulgate administrative regulations regarding tax increment financing participation programs. This administrative regulation provides guidance for the Finance and Administration Cabinet and agency to follow in computing incremental revenues, state tax revenues, new revenues and old revenues related to tax increment financing programs with respect to income and limited liability entity taxes.

Section 1. Definitions. (1) "Agency" is defined in KRS 65.7045(2).

(2) "Annual rent" means the actual sum of money or other consideration payable, directly or indirectly, by the corporation, pass-through entity or sole proprietorship for its benefit for the use of the property during the old or new revenues periods;

(a) Including:

1. Any amount payable for the use of real or tangible personal property whether designated as a fixed sum of money or as a percentage of sales, profits or otherwise; and

2. Any amount payable as additional rent or in lieu of rents, such as interest, taxes, insurance, repairs or any other items which are required to be paid by the terms of the lease or other arrangement; and

(b) Not including:

1. Amounts paid as service charges, such as utilities or janitorial services; and

2. Incidental day-to-day expenses such as hotel or motel accommodations, or daily rental of automobiles.

(3) "Apportionment factor" means a fraction, the numerator of which is the property factor, representing twenty-five(25) percent of the fraction, plus the payroll factor, representing twenty-five (25) percent of the fraction, plus the sales factor, representing fifty(50) percent of the fraction, and the denominator of which is four (4), reduced by the number of factors, if any, having no denominator, except that if the sales factor has no denominator, then the denominator shall be reduced by two (2).

(4) "Commencement date" is defined in KRS 65.7045(8).

(5) "Commercial domicile" means the principal place from which the trade or business of the corporation, pass-through entity or sole proprietorship is managed.

(6) "Commonwealth" is defined in KRS 65.7045(10).

(7) "Corporation" is defined in KRS 141.010(24)(a).

(8) "Employee" means an individual included by the corporation, pass-through entity or sole proprietorship as an employee for purposes of the payroll taxes imposed by 26 U.S.C. 3121(d).

(9) "Footprint" is defined in KRS 65.7045(18).

(10) "Gross receipts" means the total amount of consideration, including cash, credit, property, and services, paid for the sale, lease, rental, or use of property.

(11) "Incremental revenues" is defined in KRS 65.7045(21)(b).

(12) "Limited liability company" is defined in KRS 275.015(11).

(13) "New revenues" is defined in KRS 65.7045(28)(b).

(14) "New revenues period" means the period described in KRS 65.7045(28).

(15) "Net annual rental rate" means the total annual rental paid, less total annual rental received from subrentals.

(16) "Office" is defined in KRS 65.7045(29).

(17) "Old revenues" is defined in KRS 65.7045(30)(b)1 to 2.

(18) "Old revenues period" means the period described in KRS 65.7045 (30)(b)1. to 2.

(19) "Original cost" means the basis of the property for federal income tax purposes, prior to any federal adjustments, at the time of acquisition by the corporation, pass-through entity or sole proprietorship and adjusted by subsequent capital additions or improvements thereto and partial disposition thereof, by reason of sale, exchange, or abandonment.

(20) "Partnership" means "partnership" as defined in Section 7701(a)(2) of the Internal Revenue Code, 26 U.S.C. 7701(a)(2), except that a publicly traded partnership as defined by Section 7704(b) of the Internal Revenue Code, 26 U.S.C. 7704(b) shall be excluded.

(21) "Pass-through entity" means a partnership, S-corporation or multi-member limited liability company taxed as a partnership or S-corporation for federal income tax purposes.

(22) "Payroll factor" means a fraction, the numerator of which is the total amount paid or payable in the footprint by a corporation, pass-through entity or sole proprietorship during the old revenues or new revenues periods for compensation, and the denominator of which is the total amount paid or payable in this state by a corporation, pass-through entity or sole proprietorship during the old revenues or new revenues periods for compensation. Compensation is paid or payable in the footprint if:

(a) The individual's service is performed entirely within the footprint;

(b) The individual's service is performed both within and without the footprint, but the service performed without the footprint is incidental to the individual's service within the footprint; or

(c) Some of the service is performed in the footprint and the base of operations or, if there is no base of operations, the place from which the service is directed and controlled is not in any state in which some part of the service is performed, but the individual's residence is in the footprint.

(23) "Physical presence within a footprint" means owning or leasing real or tangible personal property that is located within a footprint.

(24) "Project grant agreement" is defined in KRS 65.7045(34).

(25) "Property factor" means a fraction, the numerator of which is the average value of the real and tangible personal property owned or rented and used

in the footprint by a corporation, pass-through entity or sole proprietorship during the old or new revenues periods and the denominator of which is the average value of the real and tangible personal property owned or rented and used in this state by a corporation, pass-through entity or sole proprietorship during the old or new revenues periods; except that property which has been certified as a pollution control facility as defined in KRS 224.01-300 shall be excluded from the property factor.

(26) "Reciprocity state" means a state with which the Department of Revenue has an income tax reciprocity agreement in full force and effect as described in 103 KAR 17:140.

(27) "S-corporation" is defined in KRS 141.010(27).

(28) "Sales factor" means a fraction, the numerator of which is the total sales of the corporation, pass-through entity or sole proprietorship in the footprint during the old or new revenues periods, and the denominator of which is the total sales of the corporation, pass-through entity or sole proprietorship in this state during the old or new revenues periods.

(29) "Sole proprietorship" means an unincorporated business with one individual as the owner, including an individually owned single member limited liability company that is disregarded as an entity separate from its owner for federal income tax purposes.

(30) "State tax revenues" is defined in KRS 65.7045(40)(b) to (d).

Section 2. Apportionment. A corporation, pass-through entity or sole proprietorship that has a physical presence within and without the footprint shall compute the apportionment factor for purposes of apportioning state tax revenues to the footprint as follows:

(1) Sales factor.

(a) The following shall serve as examples of activities that result in the assignment of gross receipts to the numerator of the sales factor:

1. The sale, lease, rental, or other use of tangible personal property in the footprint;
2. The sale of real property located in the footprint;
3. The lease, rental or other use of real property located in the footprint;
4. The provision of services performed entirely in the footprint;
5. The provision of services performed within and without the footprint; and
6. The distributive share of net income received from a pass-through entity that has a physical presence within the footprint.

(b) Sales of real or tangible personal property shall be assigned to the footprint if the property is in the footprint or is shipped or delivered to a purchaser in the footprint.

(c) Sales of tangible personal property to the U. S. Government shall be assigned to the footprint if the property is shipped from the footprint.

(d) Receipts from intangibles shall be assigned to the footprint if the corporation, pass-through entity or sole proprietorship's commercial domicile is in the footprint.

(e) Rents or royalties from real or tangible personal property shall be assigned to the footprint if the property is located in the footprint or in the case of mobile property the rent is assigned to the footprint, if the lessee's base of operations for the property is in the footprint.

(f) Receipts from the performance of services shall be assigned to the footprint if the services are performed entirely in the footprint, or the services are performed both within and without the footprint but a greater portion is performed in the footprint than outside the footprint based on cost of performance.

(g) The denominator of the sales factor shall include the amount of the distributive share income from a pass-through entity apportioned to Kentucky pursuant to KRS 141.206.

(h) Sales of goods destined for delivery to a Kentucky location outside of the footprint shall be included only in the denominator.

(i) The denominator shall include the assignment of gross receipts to Kentucky and sales assigned to Kentucky under the provisions of 103 KAR 16:270.

(2) Payroll factor.

(a) 1. Compensation shall not include payments to an independent contractor or any other person not properly classifiable as an employee.

2. Only amounts paid directly to employees shall be included in the payroll factor. Amounts considered paid directly shall include the value of board, rent, housing, lodging, and other benefits or services furnished to employees by the corporation, pass-through entity or sole proprietorship in return for personal services, if the amounts constitute income to the recipient under KRS 141.010(12) and (13).

(b) The total amount paid or payable for compensation during the taxable year shall be determined by the corporation, pass-through entity or sole proprietorship's accounting method and shall be the same method used by the corporation, pass-through entity or sole proprietorship for federal income tax purposes. If the corporation, pass-through entity or sole proprietorship has adopted the accrual method of accounting, all compensation properly accrued shall be deemed to have been paid; and

(c) The denominator of the payroll factor shall include the wages and compensation described in Section 2 of 103 KAR 16:090.

(3) Property factor.

(a) Property shall be included in the property factor if it is actually used or is available for or capable of being used during the taxable year. Property held as reserves or standby facilities or property held as a reserve source of materials shall be included in the factor.

(b) A plant temporarily idle or raw material reserves not currently being processed shall be included in the factor.

(c) Inventory in process shall be included in the factor. Property or equipment under construction during the taxable year shall be excluded from the factor until it is actually used or is available for or capable of being used during the old or new revenues periods.

(d) Property used shall remain in the property factor until its permanent withdrawal is established by an identifiable event such as its sale.

(e) Property in transit between a buyer and seller shall be included in the numerator if the destination is located within the footprint. Property in transit between locations of the same corporation, pass-through entity or sole proprietorship shall be considered at the destination location for purposes of the property factor.

(f) The value of mobile or movable property such as construction equipment, trucks or leased electronic equipment which is located within and without the footprint during the old or new revenues periods shall be determined, for purposes of the numerator of the factor, on the basis of total time within the footprint during the old or new revenues periods.

(g) Property owned by the corporation, pass-through entity or sole proprietorship shall be valued at original cost.

(h) Capitalized intangible drilling and development costs shall be included in the property factor whether or not they have been expenses for either federal or state purposes.

(i) If the original cost of property is not ascertainable, is nominal, or is zero, the property shall be included in the factor at its fair market value at the date of acquisition by the corporation.

(j) Inventory shall be included in the property factor by the valuation method used for federal income tax purposes.

(k) Property acquired by gift or inheritance shall be included in the factor at its basis for depreciation for federal income tax purposes.

(l) Annual rental rate shall be determined as follows:

1. If the property is rented for a twelve (12) month period, the annual rent.

2. If the property is rented for less than a twelve (12) month period, the net rent paid for the actual period of rental.

3. Property rented by a corporation, pass-through entity or sole proprietorship shall be valued at eight (8) times the net annual rental rate.

4. If this calculation results in a negative value or a clearly inaccurate valuation, any other method which will properly reflect the value may be required by the office at the direction of the commission or may be requested by the corporation, pass-through entity or sole proprietorship, except the net annual rental rate shall not be less than the total annual rental rate multiplied by a fraction, the numerator of which is the fair market value of rent applicable to rental property used by the corporation divided by the fair market value of rent applicable to all of the corporation's rental property.

5. If a payment includes rent and other charges unsegregated, the amount of rent shall be determined by consideration of the relative values of the rent and the other items; or

(m) If property is used at no charge or rented for a nominal rate, the property shall be included in the property factor on the basis of the fair market value of rent for comparable property in the area.

(n) Leasehold improvements shall, for the purposes of the property factor, be treated as property owned by the corporation, pass-through entity or sole proprietorship regardless of whether the corporation, pass-through entity or sole proprietorship is entitled to remove the improvements or the improvements revert to the lessor upon expiration of the lease. The original cost of a leasehold improvement shall be included in the factor.

- (o) Averaging by monthly property values shall apply if:
 1. Fluctuations in the values of the property exist during the old or new revenues period;
 2. Property is acquired after the beginning of the old or new revenues period or disposed of before the end of the old or new revenues period; or
 3. Fluctuations in the percentage of property used in Kentucky exist during the old or new revenues period.
- (p) The denominator of the property factor shall include the amounts included in the numerator of the property factor in 103 KAR 16:290.

Section 3. Agency Requirements. (1) An agency that is participating in a project grant agreement shall furnish the following information, if applicable, in addition to the increment calculation required under KRS 65.7083(1)(b) to the office to allow the office to assist the commission in verifying state tax revenues, old revenues, new revenues, and incremental revenues.

- (a) The state withholding tax identification number for any corporation, pass-through entity or sole proprietorship located in the footprint who withholds Kentucky income tax from the wages of employees in a footprint.
- (b) A list of all employees for each corporation, pass-through entity or sole proprietorship in the footprint, including the employee's social security number, except that employees who are residents of a reciprocity state shall not be included.
- (c) A list of all corporations and pass-through entities doing business within the footprint, their federal employer identification number and Kentucky corporation or limited liability entity tax taxpayer identification number.
- (d) A list of all sole proprietors doing business within the footprint and their social security numbers.

ROBERT M. BURNSIDE, Chair

APPROVED BY AGENCY: August 15, 2007

FILED WITH LRC: August 16, 2007 at 11 a.m.

CONTACT PERSON: Angela Robinson, Finance and Administration Cabinet, 702 Capitol Avenue, Room 195-B, Frankfort, Kentucky 40601, phone (502) 564-4240, fax (502) 564-3894.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact person: Angela Robinson

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This regulation provides guidance on the computation of old and new revenues related to tax increment financing participation programs and provides the reporting requirements of agencies participating in project grant agreements.
 - (b) The necessity of this administrative regulation: This regulation is needed to insure that the correct amount of incremental revenues is pledged by the State Tax Increment Financing Commission.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 65.7069(8) provides that the State Increment Financing Commission shall have authority to promulgate any regulations necessary for the administration of KRS 65.7069, 65.7071, 65.7073, 65.7075, 65.7077, 65.7079 and 65.7081 in accordance with KRS Chapter 13A.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation provides both the Finance and Administration Cabinet and participating agencies guidance to follow in computing incremental revenues, state tax revenues, new revenues and old revenues related to tax increment financing programs.
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation: N/A
 - (b) The necessity of the amendment to this administrative regulation: N/A
 - (c) How the amendment conforms to the content of the authorizing statutes: N/A
 - (d) How the amendment will assist in the effective administration of the statutes: N/A
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The Commonwealth and any county, city or agency designated as the entity managing a development area established pursuant to KRS 65.7049, 65.7051, or 65.7053 will be affected by this administrative regulation.
- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
 - (a) List the actions that each of the regulated entities identified in question (3) will have to comply with this administrative or amendment: The entities identified in question (3) will follow this administrative regulation when computing incremental revenues, state tax revenues, new revenues and old revenues related to tax increment financing programs.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The guidance in this administrative regulation should not increase the cost of entities having tax increment financing participation agreements, but should provide needed guidance that will expedite the process.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in Question (3): The entities in question (3) will have better guidance to follow when computing incremental revenues, state tax revenues, new revenues and old revenues related to tax increment financing programs, which should help eliminate misunderstandings and litigation.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
 - (a) Initially: There will be a minimal cost initially in the administrative regulation process for the Finance and Administrative Cabinet. Also, a small amount of costs associated with notifying cities, counties or designated agencies of this administrative regulation will be incurred.
 - (b) On a continuing basis: There will be no additional cost to the Finance and Administration Cabinet on a continuing basis as a result of this administrative regulation.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No additional funding will be needed by the Finance and Administration Cabinet for the implementation and enforcement of this administrative regulation.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding will be necessary to implement this administrative regulation.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees.
- (9) TIERING: Is tiering applied? Tiering does not apply to this administrative regulation as it applies to all tax increment financing participation programs in which the Commonwealth has agreed to participate.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments, or school districts)? Yes
2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? Finance and Administration Cabinet and all cities, counties or designated agencies having tax increment financing participation programs in which the Commonwealth has agreed to participate.
3. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 65.7069(8) authorizes the action taken by this administrative regulation.
4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. A small increase in expenditures for the Finance and Administration Cabinet will occur in the administrative regulation process and to notify cities, counties and designated agencies having tax increment finance

participation agreements of this administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? Unknown fiscal impact in the first full year this regulation is to be in effect.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? A very small increase in expenditures will occur in the first year of implementation.

(d) How much will it cost to administer this program for subsequent years? No increase in costs for subsequent years.

EXHIBIT I

CERTIFICATION AS TO USE OF PORTION OF INCREMENT PAYABLE

The undersigned on behalf of the Louisville Medical Center Development Corporation (the "Agency"), being a duly authorized officer thereof, hereby certifies to the Commonwealth of Kentucky (the "Commonwealth") that the Authority has used the Portion of Increment Payable (as defined in the Project Grant Agreement [the "Grant Agreement"], dated as of November __, 2007 by and among the Commonwealth of Kentucky and the Agency) for the payment of Approved Public Infrastructure Costs, Approved Signature Project Costs and Financing Costs (as defined in the Grant Agreement), as set forth below:

1.	_____	\$ _____
2.	_____	\$ _____
3.	_____	\$ _____
4.	_____	\$ _____
5.	_____	\$ _____
TOTAL:		\$ _____

IN WITNESS WHEREOF, this certification has been executed as of this ____ day of _____, 20____.

**LOUISVILLE MEDICAL CENTER
DEVELOPMENT CORPORATION**

By: _____

Name: _____

Title: _____